



Kinship Care Financial Allowances Survey

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EXECUTIVE SUMMARY

Introduction

When kinship carers take on the care of someone else's child, they also take on full financial responsibility for them. They often begin looking after the child in a crisis, and many children arrive with few or no possessions. Research and evidence from our advice and support services show that kinship carers do not receive adequate financial support either when the child first moves in with them, or longer term to help with the costs of raising a child. This means many are left in poverty because they have chosen to do the right thing for the child.

Method

A short survey that explored the financial allowances kinship carers received was shared widely with kinship carers in England and Wales between 18 February 2021 and 15 March 2021. There were 1,948 responses from kinship carers who were caring for 2,808 children. Data were analysed using Form Assembly software and Microsoft Excel.

Kinship foster carers were not included in the survey as they receive the national minimum fostering allowance.¹

Key findings

Being a kinship carer increases financial strain

Over the past year, 82% of kinship carers had worried about their financial situation.

A lack of financial support for kinship carers

Raising a child costs money but 36% of kinship carers did not receive a financial allowance from their local authority to help cover these costs. Although overall 62% of carers reported they received an allowance to help them care for the children, this was largely based on the legal status of the child. 75% of carers of children on a Special Guardianship Order (SGO) received an allowance. This number dropped to 32% for children on a Child Arrangements Order (CAO) or Residence Order (RO), and 13% for children being cared for under an informal arrangement. There is a clear hierarchy of financial support based on the legal status of the child rather than their needs.

A lack of fairness in allowances

The average weekly allowance received by kinship carers was more than £40 less than the national minimum for foster carers. This also varied by legal status of the child with informal kinship carers receiving over £110 less than foster carers.

Financial allowances do not meet the needs of most children in kinship care

Overall, 76% of kinship carers felt the financial allowance they received was not sufficient to allow them to meet the needs of the children they cared for. Again, there were

¹ 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.



differences when the legal status of the children was considered. Although, 74% of special guardians did not feel they received an adequate allowance, this number increased to 84% when the children were subject to a CAO/RO and 92% for children cared for informally.

What happens when allowances are reviewed?

Of the kinship carers who received an allowance, 69% had them reviewed annually. At the last review, 26% of kinship carers had their allowances reduced, 44% stayed the same and only 13% had their allowances increased.

When inflation is considered, 70% of kinship carers experienced a year-on-year decrease in the allowance they received to help them care for the children.

Conclusion

The findings clearly demonstrate kinship carers do not receive the financial support they need to meet the needs of the children they have stepped in to care for. Kinship carers are not legally entitled to an allowance to cover the costs of raising someone else's child in the same way foster carers are. This means financial allowances are inconsistent - varying by legal order and postcode.

Even where kinship carers do receive an allowance, it is significantly less than that received by foster carers. Too many kinship carers are left having to bear the financial burden of caring for another person's child. The impact of the lack of financial support is that kinship carers, who have done the right thing in stepping up to care for children, are plunged into poverty.

Recommendation

All kinship carers should receive a fair allowance to cover the costs of raising the children in their care that is equal to the national minimum fostering allowance.



Full Report

About Kinship

Kinship is the leading kinship care charity for England and Wales. We're here for all kinship carers. The grandparents, siblings, aunts, uncles, other family members and friends who step up to raise children when their parents aren't able to. We want every kinship family to have the recognition, value and support they need and deserve.

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 has supported over 3,500 kinship carers in the past year alone, helping them with complicated and stressful decisions for their families. 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. Our Kinship Community has over 8,000 members with whom we consult regularly.

We're at the heart of kinship networks, partnering with and influencing service providers, local and national government and other organisations. Seventy-four local authorities in the past year have commissioned our specialist support services and our Professionals Network has over 900 members. Our Kinship Care Researcher Network has over 40 academics registered, all with an interest in researching kinship care.

We give everything we have to fight for each family and their rights, and we won't rest until every kinship family has the recognition and support they need and deserve.

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 mainstream foster carers.

As of the census in 2011 there were an estimated 180,040 children living with a relative in kinship care in the UK². It is estimated that 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. If these children were not in kinship care, it is likely that most would be in local authority care.

² Wijedasa
(2017)



Children in kinship care had commonly experienced difficult childhoods which can make them more challenging to care for³. Kinship carers are also likely to have additional vulnerabilities. They are more likely to be older, in poorer health, insecurely housed, socially isolated, and living in poverty, than any other parenting group⁴. Kinship carers are also consistently found not to receive the support they require to be able to meet their children's needs⁵. However, despite this, most children in kinship care experience stable, consistent, and loving care from someone connected to them for the duration of their childhoods. Overall, the outcomes for children in kinship care are generally good.⁶

Context

Becoming a kinship carer is costly. Kinship carers take on the full financial responsibility of the children they care for, while taking on the role commonly restricts their ability to work⁷. Kinship carers are not entitled to the same protected paid leave when their children move in as adoptive parents. This means they often have to take unpaid leave or give up work entirely. This is especially difficult for grandmother kinship carers who had previously given up work to raise their own children as it affects their pensions for the second time. As the retirement age for women increases, more and more kinship carers are affected. Losing this investment in their futures means many kinship carers face spending the rest of their lives in poverty. Younger kinship carers are also financially affected, just in different ways. For example, they frequently step off their pathway to qualifications or career building, which delays and diminishes their future earnings.

Children in kinship care can have additional needs which often means their kinship carers need to be available during the day to care for them. Kinship carers also report they often have to attend meetings for the children with health, education and social care professionals that are held during the working day. This further restricts their ability to work. Some kinship carers are told by social workers that they need to give up work to be able to look after the children⁸ and they are then told by the Job Centre that they need to look for work. This catch-22 situation leaves kinship carers at risk of losing their benefits or receiving sanctions. These issues all add to the financial disadvantage kinship carers face.

The lack of financial support for kinship carers has been consistently identified in surveys and research⁹. Reports by the Local Government Ombudsman have also highlighted poor local authority practice.¹⁰ Analysis of the 2011 census found that kinship care and poverty are inextricably linked, children in kinship care are likely to be growing up in deprived households and kinship care is most prevalent in the most deprived areas of the country.¹¹

³ Hunt (2020)

⁴ Hunt (2020)

⁵ Hunt (2020)

⁶ Wellard et al (2017); Hunt (2020)

⁷ Selwyn et al (2013); Grandparents Plus 2019; Grandparents Plus 2020

⁸ Gautier and Wellard (2012)

⁹ Hunt (2020)

¹⁰ Local Government and Social Care Ombudsman (2018) Firm Foundations

¹¹ Wiiedesa (2017)



Kinship's specialist kinship care advice service currently supports around 3,500 families each year and 64% of all calls are about financial issues.

There is a lack of clarity and consistency about financial support and allowances for kinship carers with rules and policies varying from place to place. A lack of transparency about what financial support is available for kinship carers leads to uncertainty and confusion about whether they can receive financial help to raise their children. This is inherently unfair because it leads to people in similar situations receiving different levels of financial support based on where they live and the child's legal status, rather on the needs of the children.

This survey is the first of its kind in England and Wales. It explores the financial allowances that kinship carers receive to cover the costs of raising a child, with analysis by the legal status of the child. It also gives insight into the level of allowance kinship carers receive and whether this amount is sufficient to meet the needs of the children in their care.

About the study

A short survey was developed using Form Assembly software. The survey was live between 18 February 2021 and 15 March 2021 and was promoted via Kinship's kinship carer community and services, website, and social media, and through networks and partner organisations. The survey asked questions about each individual child the kinship carer cared for. Data gathered included information about the legal status of each child, and the allowance the kinship carers received per child. Family and friends foster carers were not included in the survey as they are legally entitled to the national minimum fostering allowance.

There were 1,948 respondents to the survey who were caring for 2,808 children, which makes this the biggest survey of kinship carers in the UK. This high response rate indicates the importance of financial issues to kinship carers.

Data were analysed using Form Assemble and Microsoft Excel¹². The numbers used in the findings related to either the number of kinship carers or the number of children they were caring for, depending on the question. Not all respondents answered all questions and where this is the case, the number of respondents who answered is identified. The measure used to give the central tendency for the amounts of financial allowance received was the mode.

Limitations of the study

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

Survey findings

How many kinship carers responded?

Number of kinship carers:

1,948

How many children were the kinship carers caring for?

1 child - 1,948

2 children - 652

3 children - 166

4 children - 35

5 or more children - 7

Total of children - 2,808

There were 1,948 responses from kinship carers looking after 2,808 children. The numbers of children cared for varied by family with 70% of kinship carers caring for one child, 23% for two children and 6% for three children. Information about each child was analysed separately.

Where were the kinship carers from?

(n=1948)

England: 1796 - 92%

Wales: 101 - 5%

Did not answer: 51 - 3%

This is broadly in line with the populations of each country.

What order were the children subject to?

(n=2752)

Special guardianship order - 2005 (73%)

Child arrangements order - 493 (18%)

No order / informal arrangement - 191 (7%)

Unsure - 36 (1%)

Most of the respondents were special guardians with 73% caring for their child via an SGO. Therefore, overall findings are skewed towards children subject to SGOs. To address this issue, findings will be broken down by the legal status of the child where necessary.

Have kinship carers worried about money in the past year?

(n=1,948)

Yes - 1,600 (82%)

No - 335 (17%)

Not answer - 13 (1%)

Over the past year, 82% of kinship carers worried about money, regardless of the order the children were subject to or whether they receive an allowance for them. This finding may have been influenced by the financial impact of Covid-19.¹³ However, even before the pandemic, research and surveys consistently found that kinship carers struggled financially due to taking on the role, many were pushed into poverty and this affected the kinship carers' ability to care for the children¹⁴.

A previous study completed in 2009 by Grandparents Plus¹⁵ found 86% of kinship carers were struggling financially. It is unacceptable that so little has improved over a decade later.

Did kinship carers receive an allowance for the children?

Overall

(n=2,725)

Yes - 1,701 (62%)

No - 987 (36%)

Did not answer - 37 (1%)

Break down by legal order

Special guardians

Yes - 1,508 (75%)

No - 474 (24%)

¹³ For a discussion about the impact of Covid-19 on kinship carers see McGrath and Peake (2020)

¹⁴ Selwyn et al (2013)

¹⁵ Murphy-Jack and Smethers (2009)



Did not answer - 23 (1%)

Child arrangements order / Residence order

Yes - 157 (32%)

No - 332 (67%)

Did not answer - 4 (1%)

No order / informal arrangement

Yes - 24 (13%)

No - 162 (84%)

Did not answer - 5 (3%)

Unsure of legal status of the children

Yes - 12 (33%)

No - 19 (53%)

Did not answer - 5 (14%)

Although the carers of 62% of the children in this study were receiving a regular allowance from their local authority there were significant differences depending on the legal status of the child. 75% of children subject to an SGO received an allowance. However, this figure fell to 32% if the child was subject to a CAO/RO, and 13% if the child was not subject to a legal order.

Local authorities' duties to children subject to SGOs are written into regulations and guidance¹⁶ in a way that they are not for children subject to CAO/RO and for children in informal arrangements¹⁷. Local authorities should provide financial support for special guardianship families where needed and they should consider the equivalent allowance when determining the amount. This finding indicates that when the provision of financial support is promoted through legalisation it increases the likelihood children will receive this support.

What was the average weekly allowance per child?

The survey asked kinship carers who received an allowance for their kinship children to state the amount they received. This was converted to a weekly amount and findings were grouped by the legal status of each child. Findings are not available for those carers who

¹⁶ Department for Education (2017)

¹⁷ Lawson and Raine (2018)



were unsure of the legal status of their child. The mode was the method used to identify the central tendency of the reported weekly allowances.

Special guardianship order:

1,371 responses

Weekly average: £91.31

Child arrangements order / residence order

146 responses

Weekly average: £92.31

No legal order / informal:

21 responses

Weekly average: £18.46

The amount of financial allowance received by the kinship carer is greater when the child is subject to a legal order and much lower if the child is being cared for informally. Even where carers do receive an allowance, the average amounts received are significantly lower than the lowest rate a foster carer receives in England, which is £132 and in Wales which is £188¹⁸. This is profoundly unfair as both kinship carer and foster carers are caring for children with similar backgrounds who are unable to live with their parents.

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

Overall

(n= 1,701)

Yes - 1,213 (71%)

No -239 (14%)

Did not know 236 (14%)

¹⁸ It is important to note, the figure used here is the lowest weekly amount foster carers would receive (based on age of child and location), many will get significantly more, they will also receive other financial support for them and the children that kinship carers would not such as help with school trips, birthdays, and holidays. In 2019 The Fostering Network found that all local authorities in Wales were paying foster carers above the national minimum level.



Did not answer 13 (1%)

Breakdown by legal order

Special guardianship order

(n=1,508)

Yes - 1,144 (76%)

No - 151 (10%)

Did not know - 202 (13%)

Did not answer - 11 (<1%)

Child arrangements order / residence order

(n=157)

Yes - 64 (41%)

No - 64 (41%)

Did not know - 28 (18%)

Did not answer - 1 (1%)

No legal order / informal

(n=24)

Yes - 4 (17%)

No - 15 (62%)

Did not know - 5 (21%)

Unsure of legal status of the child

(n=12)

Yes - 1 (8%)

No - 9 (75%)

Did not know - 1 (8%)

Did not answer - 1 (8%)



Financial allowances for 76% of the children with SGOs were means tested. There was an even split for children subject to CAO/ROs, however there were far fewer children receiving financial allowances on these orders. It is concerning that the carers for 14% of the children were unaware if their allowance was means tested. This indicates they were unsure of the guidance around the financial support they are receiving, which would make planning for the children's futures uncertain. Evidence from our advice service identifies a lack of consistency around what income different local authorities consider for the means test, this increases the postcode lottery of financial support for kinship carers.

Of those who received an allowance, was it reviewed?

Overall

(n= 1,701)

Yes 1,175 (69%)

No - 244 (14%)

Did not know - 272 (16%)

Did not answer - 10 (1%)

Breakdown by legal order

Special guardianship order

(n=1,508)

Yes - 1,113 (74%)

No - 165 (11%)

Did not know - 222 (15%)

Did not answer - 8 (<1%)

Child arrangements order / residence order

(n=157)

Yes - 56 (36%)

No - 63 (40%)

Did not know -37 (24%)

Did not answer - 1 (1%)



No legal order / informal

(n=24)

Yes - 4 (17%)

No - 12 (50%)

Did not know - 8 (33%)

Unsure of legal status of the child

(n=12)

Yes - 2 (17%)

No - 4 (32%)

Did not know - 5 (42%)

Did not answer - 1 (8%)

Kinship carers looking after 69% of the children faced regular reviews of the financial allowances they were receiving. This uncertainty makes financial planning difficult, with many kinship carers worrying each time the review was due about whether there would be a reduction in financial allowances for their kinship children. This adds to the multiple stresses that kinship carers face in their role and makes it difficult to plan and budget for the children's futures.

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

Overall

(n=1,175)

Stay the same - 514 (44%)

Increased - 157 (13%)

Decreased - 311 (26%)

Did not know - 154 (13%)

Did not answer - 39 (3%)

Breakdown by legal order

Special guardianship order

(n=1,113)

Stay the same - 486 (44%)

Increased - 150 (13%)

Decreased - 299 (27%)

Did not know - 139 (12%)

Did not answer - 39 (4%)

Child arrangements order / residence order

(n=56)

Stay the same - 26 (46%)

Increased - 6 (11%)

Decreased - 12 (21%)

Did not know - 12 (21%)

No legal order / informal

(n=4)

Stay the same - 1 (25%)

Increased - 1 (25%)

Decreased - 0 (0%)

Did not know - 2 (50%)

Unsure of legal status of the child

(n=2)

Stay the same - 1 (50%)

Increased - 0 (0%)

Decreased - 0 (0%)

Did not know - 1 (50%)

The way allowances changed when they were reviewed were broadly similar regardless of the legal status of the child. When the allowances were reviewed only 13% of them increased; 44% stayed the same, which is a real time decrease due to inflation; and 26% decreased. This is concerning as the cost of raising the child is unlikely to have decreased. Given that kinship carers receive, on average, a significantly lower allowance than foster carers to cover the costs of raising someone else's child, it is worrying that the allowances either reduced or remained that same.

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

Overall

(n=2,335)

Yes - 549 (24%)

No - 1,786 (76%)

Breakdown by legal order

Special guardianship order

(n=1,810)

Yes - 477 (26%)

No - 1,333 (74%)

Child arrangements order / residence order

(n=335)

Yes - 56 (16%)

No - 299 (84%)

No legal order / informal

(n=146)

Yes - 11 (8%)

No - 135 (92%)

Total - 146



Unsure of legal status of the child

(n=24)

Yes - 5 (21%)

No - 19 (79%)

Overall, 76% of carers felt they did not receive the financial support they needed to meet the needs of the children. Considering that 62% received an allowance for the children, this demonstrates that even when carers do receive financial support, it is not sufficient to meet the needs of the children they care for.

These findings also reconfirm that the legal status of the child has a significant impact on financial support. When carers cared for their child informally 92% felt they did not receive enough financial support for their child. This is extremely concerning because it is believed most children in kinship care are being cared for informally, and the link with household deprivation is well evidenced.¹⁹

Discussion and Recommendations

This study has given an insight into the financial support and allowances provided by local authorities to **1,948 kinship carers who are raising 2,808 children** across England and Wales.

Worryingly, the overwhelming majority of kinship carers, 76%, say they do not receive sufficient financial support to meet their children's needs and 82% have worried about money in the past year.

Financial worries are known to put additional strain on kinship care families who are often already struggling with the pressures involved with being a kinship carer²⁰. However, unlike other difficulties kinship carers face, financial pressures are totally unnecessary and avoidable if kinship carers receive fair financial support. For example, in a study of kinship foster carers²¹, most suggested the fostering allowance was sufficient for them to meet the needs of the children they are caring for. If there was equality of financial support for all children in kinship care, rates of poverty and financial distress in kinship care households would be reduced and kinship carers would be more able to focus on the needs of the children. ***Kinship carers shouldn't have to worry about whether they can afford to pay their bills or put food on the table because they have stepped in to do the right thing for a vulnerable child.***

This study has also identified that even those kinship carers who receive an allowance still struggle financially. With few rights to financial support and facing regular reviews, kinship carers are vulnerable to cuts in their allowances *even when there has been no*

¹⁹ Wijedesa

²⁰ Selwyn et al (2013); Hunt (2020)

²¹ Houston et al (2018)



reduction in the costs of raising the child. Fostering allowances never get cut, do not get means tested, are not reviewed, and increase in line with the children's age. This allows foster carers to concentrate on meeting the needs of the children. It is only right that children in kinship care receive the equivalent financial security.

On average the allowance per kinship child is **£40 less** than the lowest allowance per foster child. The allowance for a kinship child in an informal arrangement is **£110 less**. The national minimum fostering allowance was introduced to *cover the costs of raising someone else's child*. It is grossly unfair to perpetuate a system that disadvantages most children in kinship care. The costs of raising someone else's child in kinship care and in foster care are most likely the same. It is even more concerning when one considers that kinship carers are more likely to live in poverty and be socially disadvantaged than other parenting groups. In simple terms kinship carers step in to look after children who would most likely otherwise be in foster care and in doing so, they plunge themselves into poverty.

The survey highlighted that this unfairness is compounded by the hierarchy of support based on the legal status of child, where 75% of children subject to SGOs receive an allowance compared to 32% subject to child arrangements orders or residence orders and just 13% who are being cared for informally. Children in kinship care regardless of their legal status have similar levels of need²² and they will cost a similar amount to care for. The system should be child-centred. The allowance for a child should not be so markedly lower because of the child's legal status or because of their route into kinship care.

The strong and robust findings of this study highlight the discrimination that kinship carers face regarding financial support.

Recommendation:

- All kinship carers should receive a fair allowance to cover the costs of raising their children that is equal to the national minimum fostering allowance.

²² Hunt (2020)



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Kinship is the leading kinship care charity for England and Wales. We're here for all kinship carers. The grandparents, siblings, aunts, uncles, other family members and friends who step up to raise children when their parents aren't able to. We want every kinship family to have the recognition, value and support they need and deserve.

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