

Good morning, Alison

Following the WLGA evidence session yesterday, Cllr Jane Gebbie has provided the following note on UASC funding shortfalls from her officers in Bridgend, as referred to in the session. This should give the Committee a sense of what the costs can be for a local authority. Once a UASC has status to remain, they are then eligible to access all entitlements until that point, the costs are lying with the local authority leading to projected shortfalls of around £130k.

The Committee should be aware that just recently we have also had correspondence from one local authority requesting a pause to the National Transfer Scheme. This is linked to funding shortfalls, which are becoming unmanageable especially in relation to care leavers. The Home Office has been made aware.

Jon

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## **Social Services Improvement Board**

### **1. Purpose of Report**

- 1.1 The purpose of the report is to provide Social Services Improvement Board with information and developments relating to the local authorities responsibilities in respect of Unaccompanied Asylum Seeking Children (UASC) .

### **2. Background**

- 2.1 The National Transfer Scheme for UASC first began operating in 2016. It was formed on the basis of a voluntary agreement between local authorities in England to ensure a fairer, more equitable distribution of UASC across local authorities. The legislation was amended in 2018 to extend the scheme to include local authorities in Scotland, Wales, and Northern Ireland. However, despite substantial reform the voluntary model did not sufficiently respond to the scale of intake into the asylum system.
- 2.2 On 23 November 2021, the UK Government took steps to ensure the National Transfer Scheme (NTS) worked more effectively to ensure all children are transferred promptly to local authorities to be cared for. The Minister for Safe and Legal Migration, Kevin Foster MP, wrote on behalf of the Secretary of State for the Home Department to all local authorities in the UK with children's services to signal the Government's intention to direct participation in the NTS.
- 2.3 From 15 February 2022, all local authorities with children's services in the UK have been directed to participate in the NTS, commonly referred to as a 'mandated NTS'. The duration of the mandatory period will be dictated by a range of factors including intake levels, ability to place children in local authority care in a timely manner, and the viability of a return to a voluntary NTS that works effectively.
- 2.4 UASC are referred to local authorities on a rota system and on receipt of the referral, the timescale of transfer to the local authority is no later than 10 working days following.
- 2.5 On receiving an UASC, the LA receives an allowance of £1001 per week for under 18's and £270 for over 18's. The Home Office has offered incentives to local authorities who have children placed into their area before their mandatory cycle. £15,000 for UASC being placed within two days and £6,000 should they be placed within five days. However, these incentives appear to have been reduced or are on hold currently whilst the Home Office undertake a review of the scheme.
- 2.6 Regardless of the incentives and the current financial support provided by the Home Office, the actual costs to caring for UASC far outweighs what is currently provided.
- 2.7 As referenced earlier, this is a mandatory scheme and the challenges faced by Bridgend are experienced in other local authorities.
- 2.9 It is important to note that whilst UASC go through the process of seeking asylum and subject to immigration control, they have no recourse to public funds therefore are not eligible to receive any public benefits. As the children are unaccompanied

once they transfer to the relevant local authority, they become care-experienced and the local authority has a duty to provide support in line with that legislation and guidance. This includes accommodation, education, training, health and financial support.

### **3. Current situation/ proposal**

- 3.1 Bridgend currently has 28 UASC, 13 of which are currently under 18 and looked after, 15 are over 18 and are being supported as care leavers.
- 3.2 Of the 13 who are under the age of 18, 2 are placed with foster carers with the remaining 11 residing in internal supported living accommodation such as Dewis or Llamau, the others are residing in external supported accommodation.
- 3.3 Of the 15 over the age of 18 and supported as care leavers, 1 resides in supported living arrangements whilst the remaining 11 have received asylum status and are either living independently or have been provided with temporary accommodation via Housing whilst waiting for settled accommodation.
- 3.4 As noted earlier in the report, the funding provided by Home Office does not cover the full-costs caring for UASC. UASC are ineligible for any benefit allowances due to their immigration status leaving the local authority providing financial support including their accommodation until their status is confirmed.
- 3.5 The costs below (not including accommodation) demonstrate on average the range of financial support required:

Weekly Maintenance - £71.70. x 52 = £3,728.40

EMA - £40 x 40 = £1600

Monthly Bus Pass - £45.99 x 12 = £551.88

Interpreter (this varies in frequency) - £48 x 12 = £576

Clothing Allowance - £150

Misc (prayer mat etc) - £30

Total cost per year per child: – £6,636.28

- 3.6 The average annual accommodation cost for a UASC is £53,509. So in summary a UASC can cost in the region of £60k per annum. Funding received from the Home Office for under 18's is in the region of £52k, leaving a deficit of approximately £8k per annum per child.
- 3.7 For over 18's who are in supported accommodation, funding received is in the region of £14k leaving a deficit of approximately £46k per annum.
- 3.8 The table below shows the spend and grant funding received over the last 4 years;

	22/23 Actuals	23/24 Actuals	24/25 Actuals	25/26 Projected Spend
	£	£	£	£
Placement costs	106,954	581,391	677,365	733,769
Allowance (misc.) Costs	8,250	53,585	93,763	42,001
<b>Total Spend</b>	<b>115,204</b>	<b>634,976</b>	<b>771,128</b>	<b>775,770</b>
Grant Received	- 151,204	- 655,053	- 677,706	- 645,436
Grant Carried Forward	-	- 36,000	- 56,077	
(Surplus)/Shortfall	- 36,000	- 56,077	37,345	130,334

\*22-23 and 23-24 Surplus grant received carried forward for use in 24-25

The expenditure in 2022-23 and 2023-24 was less than the grant received. This was carried forward and used to offset expenditure in 2024-25. The anticipated expenditure for 2025-26 is £130k more than the expected grant income. This shortfall will have to be funded from within directorate budgets.