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Summary of the April meeting of the All-Party Parliamentary Group for Looked After Children and Care Leavers

Wednesday 27th April 2016
5.00pm – 7.00pm
Committee Room 9, Palace of Westminster

Chair:	The Earl of Listowel, Vice-Chair of the APPG for Looked After Children and Care Leavers
Speakers:	Dominic Stevenson, Senior Media Officer, The Fostering Network Chloë Darlington, Policy and Campaigns Manager, Children England
Present:	Robin Walker MP
Apologies:	Bill Esterson MP, Chair of the APPG for Looked After Children and Care Leavers Tim Loughton MP, Co-Vice-Chair of the APPG for Looked After Children and Care Leavers Rob Macpherson, Children in Care team, Department for Education

Topic: **Financial Education**

Debate motion: **'Children can't leave care until they've completed a money management course.'**

Attendees were asked to vote in support of or against the debate motion: the results were split equally.

Speaker comments (speakers were asked to present arguments for or against the motion and their comments do not necessarily represent the views of the organisation or individual)

- **Dominic Stevenson** spoke in support of the motion. Dominic emphasised the difference between a care leaver managing money and a young person who is not care-experienced with regard to cash-flow. He said that care leavers are given a leaving care grant as a lump sum and receive little guidance on how to spend it wisely. Dominic acknowledged that people don't like being told what to do but said that mandatory money management training would help care-experienced young people to develop important skills. He discussed the money management problems he had had after leaving university and said he wished someone had told him that overdrafts have to be paid back. Dominic said it took him until the age of 30 to get out of debt.
  Dominic said a money management course should be mandatory because any young person cannot be expected to sign up for the course voluntarily. He said that having little or no money can lead to family breakdowns, depression and poverty. Dominic discussed the situation of a care leaver he had spoken to who took out a payday loan after using up

their overdraft which meant they had to take on a second part time job in order to pay for meals. Dominic ended with the statistic that one in three care experienced young people were in debt and of those, 28 per cent owed more than £5,000.

- **Chloë Darlington** spoke against the motion. Chloë said that money management is important for all young people, not just care leavers. She said that singling care leavers out is unhelpful for two reasons: the first reason being that education on money management should be part of the statutory education system for all children and young people and that a mandatory money management course would create an obstacle from leaving care to life after care and is therefore unethical. She added that young people in care may postpone a mandatory money management course in order to stay in care.
  Chloë said that there are voluntary schemes and courses as well as banks who are able to provide support with financial education and there should be an increase in resources for these services. Chloë said that money is complex like so many things in life and the responsibility shouldn't be on care leavers to stretch out small amounts of money. She concluded by saying that there should be more work on ensuring that education, employment and benefits are easy for care-experienced young people to access and ensuring that care leavers are not being exploited.

Attendees were asked to vote again in support of or against the debate motion: the results were split equally.

Discussion (the floor was opened to the debate)

Arguments in support of the motion

Several professionals argued in support of the motion and agreed that if a money management course were to be mandatory, it should be available as early as primary school and carried out more than once throughout a young person's time in education. Other professionals, including a residential care worker, also agreed with the motion but said that all young people should complete a money management course and added that if the country is in debt, how can one expect young people not to be?

Another professional said that ISAs offered to young people can be a real problem for care leavers. They added that because young people are legally entitled to receive the money saved in their Junior ISA when they leave care, it is difficult for professionals to help them manage the money and, if the young person has problems with drugs for example, prevent them from using the money in ways that could harm them.

A professional from a children's charity emphasised that different young people have different levels of freedom to make mistakes - the 'bank of mum and dad' is available to bail out some young people who aren't in care so those mistakes aren't catastrophic, whereas care leavers who may be living in poverty can't afford to make such mistakes.

Natasha Finlayson from The Who Cares? Trust said she supported the motion because the corporate parent had a responsibility like any other parent to ensure that young people leave care equipped with the practical skills and knowledge they need to thrive, and money management often slipped through the net with no one carer thinking they had responsibility to ensure young people understood how to manage money.

A foster carer and charity professional both agreed that a young person's corporate parent should receive more training in money management as well. They said that shopping at cheaper stores isn't the same as budgeting and that more advice is needed on how carers can guide young people to spend their support money wisely. They both also discussed the difficulty in being a guarantor for care leavers who are living independently when they are no longer the young person's foster carer.

Several young people agreed with the motion and they discussed their experiences of getting into debt after leaving care. A care leaver said that they would have found a money management course very helpful before leaving care, particularly because they are also a parent.

Lots of young people agreed that a money management course which details how tax, benefits, signing contracts, interest rates etc. work would have been very useful for them before and after they left care. A young person said they were given no warning before they left care that they would no longer receive their allowance. They said their social worker told them they now needed to sign on for benefits but gave no advice on how to do so.

Several care leavers said that receiving the leaving care grant as a lump sum of around £2,000 when they leave care without any education regarding how to spend it wisely is problematic. Some social workers said that they try to delay care leavers from using their care leaver funding until they have secure housing and that it's worrying to hear that a lot of key workers aren't providing guidance either before or after young people are leaving care.

A care leaver said they had experience of receiving money that they weren't supposed to be given until a certain age and because their social worker had a very high caseload, they didn't receive any guidance into how to spend it. They added that having a better understanding of money at a younger age through completing a money management course would have prevented this.

A care leaver said they had completed a Level 1 money management course and it helped them to learn how to spend money correctly and the differences between bills.

A young person in care said the country is in debt so the government should be teaching them about money management.

Care leavers said that responsible professionals ensured that young people had to produce receipts for products purchased. Young people were made accountable for their expenditure. Not all 'professionals', however, acted professionally.

Arguments against the motion

Several young people were against the motion because they said that they would forget a money management course a few years down the line. They also agreed that professionals should use reviews and personal education plans (PEPs) to guide young people in care on how to manage their money. A care leaver added that providing contacts and resources for both professionals and young people leaving care would be useful. A young person in care said they were given allowances at school but didn't know how to save it. They said that they are currently in a Staying Put scheme and their foster carer has showed them how to save money and put it in accounts where it can't be touched.

Several professionals were against the motion and said that care-experienced young people need more than a money management course because some are dealing with acute poverty. One professional added that some young people in care miss out on education so a money management course would have to be accessible in other ways, not just in school.

A professional from a children's charity said that making a money management course mandatory takes away a child or young person's right to make decisions independently. They said that ongoing support and information from professionals on entitlements need to be made compulsory instead. In agreement with this, a care leaver added that Barclays had invested in a private care company and young people were given an account with them which meant that the bank was making money when they were going into their overdraft. They said that this money should have been invested in leaving care services and legislation should be put in place to stop this from happening.

A professional argued against the motion by saying that there has been little research carried out with regard to the effectiveness of money management courses and the best way to research whether something is effective is by carrying it out at different points over a substantial period of time.

A care leaver said that care-experienced young people should use the services they're entitled to such as asking their social/key worker for guidance. They added that if they are not helpful, getting in touch with an advocacy service is the next step and every residential care home and local authority should have information on an advocacy provider.

Towards the end of the debate, a professional pointed out that all attendees agreed that there needs to be something in place for care-experienced young people to support them with money management but there were disagreements on how this should be delivered.

Attendees were asked to cast a final vote in support of and against the debate motion: the majority voted in support of the motion.

Thanks from the Chair

The Chair emphasised how useful the APPG is for parliamentarians and thanked all young people, professionals and MPs for attending.