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Rt Hon. Yvette Cooper MP
Chair, Home Affairs Committee
House of Commons
London
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Dear Chair,

This letter is to update you on positive changes we are making to the funding provided to local authorities caring for unaccompanied asylum-seeking children (UASC) and those UASC who become care leavers. Our shared objective is to support safe and stable placements for all children and young people, where they can receive the necessary care to thrive. That is why we are increasing the Home Office funding contribution for this group.

Firstly, I would like to recognise the vital work that many local authorities do to support UASC and those UASC who become care leavers. The government is committed to safeguarding the most vulnerable young people in our society and local authorities have a pivotal role in discharging the statutory duty to do so.

As you know, local authorities also play a crucial part in meeting our national commitments including refugee resettlement. This includes resettling unaccompanied refugee children through the Vulnerable Children's Resettlement Scheme and supporting arrivals of children under section 67 of the Immigration Act 2016. We have transferred 478 children under section 67 and will complete the remaining two transfers as soon as it is safe to do so. These commitments could not have been met without placements offered by local authorities and is a greater achievement still, given the numbers of children who have arrived spontaneously in recent years.

Improved funding for UASC and former UASC Care Leavers

In May 2019 we increased all lower tariff rates to £114 per UASC per night (pppn). This was the second time in three years that the rates had been lifted. When we made that announcement, we also committed to looking again at the rates in the Spending Review and to particularly focus on the funding provided for former UASC Care Leavers.

This work has now concluded, and the following changes apply from 1 April 2020, for the duration of the financial year 2020/21:

- A package of improvements to the funding contribution applying to **all** former UASC Care Leavers which will:
 - o substantially increase the funding contribution to £240 per care leaver per week;
 - o remove reduced rates for legacy case claims; and
 - o remove the first 25 Care Leavers' rule which prevented Local Authorities claiming for the first 25 equivalent Care Leavers in their care.

- A targeted increase of 25% (to £143 pppn) to the funding contribution for all UASC in those local authorities supporting UASC at, or in excess of, 0.07% of their child population, as at 31 March 2020.

Local authorities looking after UASC amounting to less than 0.07% of their child population will continue to receive £114 pppn for each UASC in their care.

Determination of the appropriate UASC rate for each local authority is based on the most recent ONS child population data and local authority UASC payment claims from March 2020.

For those local authorities in England, there will also be a further increase in the 'new burdens' funding provided by the Department for Education (DfE) to cover the cost of offering support to all care leavers until they are aged 25. This was introduced in 2018/19 and increases from £6m in 2019/20, to £9m in 2020/21. DfE will also be providing an additional £10 million of funding to local authorities in 2020/21 to support implementation of 'Staying Put' to reflect the fact that uptake has been higher than anticipated, and £3.3 million has been provided to the existing Staying Close pilots to continue for a further year.

The National Transfer Scheme (NTS)

The NTS was introduced in July 2016 to achieve a more balanced distribution of UASC. It was initially successful, with over 960 voluntary transfers taking place since the scheme began. However, over recent months, the scheme has not been working as intended. The number of transfers taking place has slowed and this has intensified issues with unequal distribution.

I am aware that the situation in some entry authorities is now quite serious and we are therefore seeking urgent offers of support from local authorities through pledges of care placements for UASC.

My officials are working closely with Strategic Migration Partners appealing for placements and there have been some provisional offers of support, which we welcome. With additional funding now being made available, we need a national effort to achieve a better balance across the UK and the right support for these young people.

Over the past year, there has been intensive work with local government partners on other potential improvements to the way the NTS operates. I had intended to consult on some specific proposals which would further help to reinvigorate the NTS. However, I am acutely aware of the additional pressures on local authorities and other partners, whose priority is rightly ensuring the best possible response to COVID-19. I have therefore taken the decision to pause the consultation until these unique pressures have reduced.

These updated funding arrangements demonstrate my commitment to understanding and addressing the concerns of local authorities and ensuring that vulnerable young people receive the care and support they need.

Yours
Chris

CHRIS PHILP MP
Parliamentary Under-Secretary for Immigration Compliance and the Courts