Welfare Rights Conference 2026

Kinship care, care-experienced young people and benefits – an update

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Care leaver payment

This new payment was introduced from 1 April 2026.

Who can get the care leaver payment

You can get a care leaver payment if:

- you were looked after by the local authority on or after your 16th birthday, *and*
- you stop being looked after on or after 1 April 2026, *and*
- you are not in continuing care

or

- you were in continuing care, *and*
- you stop being in continuing care on or after 1 April 2026

Looked after by the local authority

"Looked after by the local authority" has a specific legal definition and it means that the local authority has enhanced responsibilities for you. For instance, you may be looked after and living with a foster carer or kinship carer or you may be living in residential accommodation. You can also be looked after under a compulsory supervision order and living at home with your parent or parents. These are just examples: there are other situations where you count as looked after by the local authority.

Read the definition of "looked after" in section 17(6) of the Children (Scotland) Act 1995 on legislation.gov.uk

Continuing care

"Continuing care" is a duty on local authorities to provide young people who are looked after and accommodated at age 16 or beyond, and whose final placement is 'away from home', with the same accommodation and other assistance they received before they stopped being looked after. The aim of continuing care is to provide young people with the option of a more gradual and better supported transition out of care. For instance, you may continue to live with your foster carer after you stop being looked after by the local authority. Continuing care can last up to your 21st birthday.

Read the definition of "continuing care" in section 26A of the Children (Scotland) Act 1995 on legislation.gov.uk

How much is the care leaver payment

The care leaver payment is a one-off payment of £2,000.

It is usually paid as money, although some or all of it can be paid as a voucher or paid to a provider or goods or services if you want that to happen. The payment may also be made in the form of a voucher if the local authority thinks you are at risk of financial abuse.

Usually, the care leaver payment is made as one payment. It can be paid in two instalments if you agree to this. Where the payment is made in two instalments, the first instalment should be made as soon as possible after you stop being looked after, or you stop being in continuing care, and the second instalment should be made on a date that you agree with the local authority.

Claiming the care leaver payment

You do not have to make a claim for the care leaver payment. The local authority which last looked after you should identify that you are entitled and notify you about how the payment will be made.

If you think that you are entitled to a care leaver payment and you have not been notified by the local authority, you should ask that it determines whether you are entitled. If the local authority decides that you are not entitled to the payment you can request a review of this decision. You should do so within one year of the determination.

More information

Read the Scottish government care leaver payment guidance on gov.scot

Read the care leaver payment regulations on legislation.gov.uk

Care-experienced bursary

A care-experienced bursary is available in full-time non-advanced education ('further education') and in full-time advanced education ('higher education'). The bursaries are for students who have previously been in local authority care (sometimes referred to as 'looked after') at any time in their childhood. It does not matter if this was for a very short period. Guidance suggests that students who were never formally looked after by the local authority, but who lived with a kinship carer may also be eligible.

There is no upper age limit for the care experience bursary: in other words, it does not matter how old you are when you start the course.

Students in advanced education who are eligible can get a grant of £9,000 per academic year, paid instead of a student loan. In non-advanced education the care-experienced bursary is part of the discretionary bursary maintenance allowance and is a grant of £225 per week. Guidance for colleges advises they should make 'the optimum funding award' for the student, which may be to award an education maintenance allowance or a lower award of bursary maintenance allowance of £28 if the student is getting social security benefits and can remain on them even if they get the bursary (in other words, the level of their benefit entitlement exceeds the bursary).

In both advanced and non-advanced education, the care-experienced bursary is not income-assessed, so it is paid regardless of household income.

The care-experienced bursary counts as income for means-tested benefit purposes (with certain disregards). For example, for universal credit (UC) the bursary counts as income after a monthly disregard of £110. It is, of course, important to remember that many full-time students are not eligible for UC at all.

There is also a 'summer accommodation grant' available from the Student Awards Agency Scotland (SAAS) for care-experienced young people in higher education. This is a grant of £1,330 if you are in rented accommodation, or £665 if you are staying with family or friends. This is intended to help with accommodation costs during the summer vacation. For more information and details of how to apply, see the SAAS website at Support for Care Experienced students - SAAS.

A special support loan of £2,400 is available for students in higher education. This is not income-assessed and does not count as income for means-tested benefits.

More information

See CPAG in Scotland resource on care experienced students at **cpag.org.uk/welfare-rights/benefits-scotland/more-info/benefits-students-factsheets/care-experienced-students**

Kinship carers and the abolition of the two-child limit

The ‘two-child limit’ was abolished from 6 April 2026. The two-child limit had limited impact on kinship carers for two reasons:

1. kinship carers of looked after children should not usually be getting the child element **at all** for the child/children who are looked after
2. kinship carers of non-looked after children should often have been exempted from two-child limit because of the exception for children in ‘non-parental caring arrangements’

In the Scottish context, non-parental caring arrangement meant:

- you had a kinship care order under section 11 of the Children (Scotland) Act 1995;
- you were appointed as guardian under section 7 of the Children (Scotland) Act 1995;
- you were entitled to guardian's allowance in respect of the child/children;
- you had parental responsibilities ‘vested’ in you by a permanence order under section 80 of the Adoption and Children (Scotland) Act 2007;
- one of the above bullet points applied prior to the child's 16th birthday and you continued to be responsible for the child;
- you had undertaken care of the child/children where it is likely that otherwise/he would have been looked after by the local authority.

This meant that even if you already had two or more dependent children and you started caring for a child born on or after 6 April 2017 in one of these circumstances, you could get the child element in your UC for the child who came to live with you, providing you satisfied the normal conditions of entitlement. Equally, if you took on the care of ‘exempt’ kinship child/children, and then had birth children, the kinship child/ children are disregarded for the two-child limit.

Kinship carers who did not fall into the above categories would have been, potentially, subject to the two-child limit. If they were, this should have been removed.

For more information on the abolition of the two-child limit, see the materials from the conference workshop **End of the two-child limit – what next?**

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Kinship carers and the benefit cap

The benefit cap operates to 'cap' the total amount that a claimant can receive from a range of social security benefits. For people living outside Greater London, the cap is set at £1,835 a month if you are a couple or have a dependent child or children and £1,229.42 if you are single with no dependent children. If a person's benefits are capped, the deduction is made from their UC (or housing benefit), but other benefits, such as child benefit, are taken to account when deciding whether they are over the level of the cap.

Some people are exempt from the benefit cap: the exemptions mainly relate to being in receipt of a disability or carer benefit or being in, or having recently been in, paid work. None of the exemptions relate directly to being a kinship carer: the only one that has potential relevance to the fact that a person is being in receipt of guardian's allowance. Some kinship carers will be getting guardian's allowance, but not many, as entitlement depends on the child being an orphan (or effectively being an orphan because one parent has died and the other, for example, is a long-term prisoner).

Note: people impacted by the benefit cap should apply for a discretionary housing payment (DHP) from their local authority. Scottish government guidance directs local authorities to utilise DHPs to make up the shortfall created by the benefit cap.

See Scottish Government guidance at https://www.gov.scot/publications/scottish-discretionary-housing-payments-guidance-manual/

Local authorities should also be alert to benefits cap impact when calculating the kinship care allowance (if applicable) as it may mean that, in effect, the kinship care is not actually receiving any UC support for the child or children in the kinship care arrangement.

Calculation of kinship care allowance

All Scottish local authorities make payments to kinship carers of looked after children and also to **some** kinship carers of non-looked after children. Kinship care payments (often called a kinship care allowance) will generally be made either under section 50 of the Children Act 1975, section 22 of the Children (Scotland) Act 1995 or under regulation 33 of the Looked After Children (Scotland) Regulations 2009 (sometimes referred to as payment under section 110 of the Adoption and Children (Scotland) Act 2007).

In 2015, the Scottish Government and COSLA announced a commitment on the part of local authorities to pay certain kinship carers a kinship care allowance, based on the level of the local authority's fostering allowance (not fee).

In July 2016, National Guidance was published (Children and Young People (Scotland) Act 2013: National Guidance on Part 13: Support for Kinship Care). This guidance was updated in 2024. See https://www.gov.scot/publications/part-13-children-young-people-scotland-act-2014-support-kinship-care-kinship-care-assistance-scotland-order-2016-updated-guidance-2024/

These arrangements cover:

- kinship carers of looked after children;
- kinship carers where the child is subject to a kinship care order (under s11 of the Children (Scotland) Act 1995 or the carer is the child's guardian under s 7 of the Children (Scotland) Act 1995; *and*
    - the child was previously looked after by the local authority; *or*
    - the child is at risk of becoming looked after.

The Scottish Government guidance suggests that local authorities deduct any 'child-related benefits' to which the kinship carer is entitled, and that a foster carer would not be entitled, from the amount of the allowance. The guidance states that child benefit and child tax credit (although not the disability or severe disability element) should be deducted if the kinship carer is eligible for these benefits. According to the guidance, guardian's allowance, if payable, should not be deducted. The guidance has not been updated to include guidance relating to universal credit (UC) or to reflect the fact that tax credits no longer exist, but following this logic, we would expect local authorities to deduct the child element of UC but not the disabled child addition. Scottish child payment should be disregarded (again, based on Scottish Government guidance to local authorities)

In 2023, the Scottish government introduced a national minimum level of fostering allowance and kinship care allowance. The minimum weekly rates are currently as follows:

0 to 4 year-olds: £177.68

5 to 15 year-olds: £206.71

16-years-old and over: £283.35

Some local authorities may pay more than these rates. Local authorities will deduct benefits as explained above.

More complex situations

The most straightforward situation for a local authority is where a kinship carer is receiving benefits in respect of a child and the local authority can clearly identify the amount of the benefit and therefore make an accurate deduction from the kinship carer allowance. For example, a kinship carer of a non-looked after child, getting child benefit and maximum UC including the child element. If we assume the child is aged 10 and is the kinship carer's only dependent child, then child benefit will be £27.05 a week and the UC child element £351.88 a month (£81.20 a week). These are the amounts that the local authority will deduct from the fostering allowance rate, in order to pay the correct amount of kinship care allowance in line with Scottish government agreement and guidance.

Issues arise where a kinship carer of a non-looked after child gets UC, but not the maximum amount, for example, because they have earned income.

Example

Kinship carer aged 45 and single. Cares for nephew, aged 10, and has a kinship care order (nephew previously looked after). She works and has net monthly earnings of £1,600. Her monthly rent is £400 and she pays £200 per month in childcare costs.

She is entitled to UC of around £701 a month

Maximum UC is £1346.78 a month, so she is only receiving a proportion of this (a little over 50%)

What should the local authority deduct from her kinship care allowance in respect of the child element? Logically, it might be 50% of child element, or perhaps zero, as she has lost more UC than the child element is actually worth? Local authorities have to decide what to do in these situations – there is no guidance to assist them.

Another situation to be aware of is where a kinship carer of a looked after child has earnings and is missing out on UC altogether, essentially because the looked after child is not included in the UC calculation at all – not only meaning no child element, but also, potentially, no work allowance and no help with childcare costs.

Example

Kinship carer aged 45 and single. Cares for nephew, aged 10, who is 'looked after' by the local authority. She works and has net monthly earnings of £1,600. Her monthly rent is £400 and she pays £200 per month in childcare costs.

Not entitled to UC, as UC calculation does not include a 'child element' or child-care costs element or any 'work allowance'. If this carer's UC did include a child element for her nephew, she would also get help with childcare costs and would have more of her earnings ignored. If her nephew not a looked after child UC entitlement would be around £701 a month (£161.77 a week), as in the example above.

In this situation, the local authority has quite a straightforward task – just deduct child benefit from the kinship care allowance. Where a local authority using the national minimum levels, this would mean a kinship care allowance of £179.66 a week (£206.71 minus £27.05), so a little bit more than the UC they are missing out on. However, if we compare their situation to the kinship carer of a non-looked after child with the same earnings and getting a kinship care allowance, the kinship carer of a non-looked after child is likely to have a higher income overall.