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Welfare Rights Conference 2026

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

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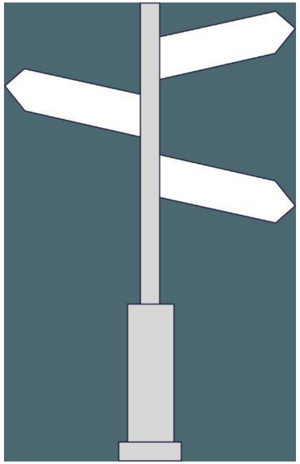
# Overview



- Care leaver payment
- Care experienced bursary
- Kinship carers and the abolition of the 2-child limit
- Kinship carers and the benefit cap
- Kinship carers, UC complexities and kinship care allowances

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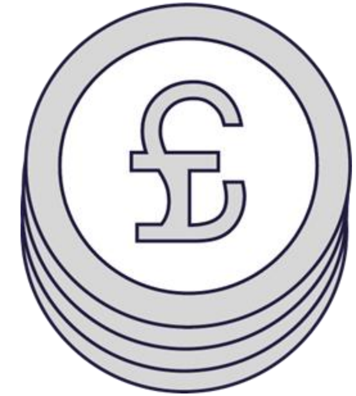
# Care leaver payment



- New payment introduced from 1 April 2026
- One-off payment of £2,000
- Paid by the local authority which last looked after the young person
- Who is eligible:
  - looked after on or after their 16th birthday; *and*
  - stop being looked after on or after 1 April 2026; *and*
  - not in continuing care;

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

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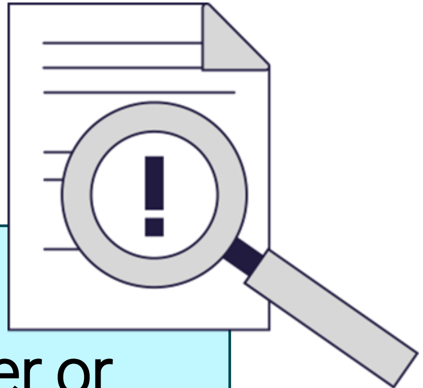
# Care leaver payment – definitions



Looked after:

- Child subject to a compulsory supervision order or interim compulsory supervision order*
- Child accommodated by the local authority under s25 Children (Scotland) Act 1995
- Permanence order in respect of child

*Could be looked after at home
Ref: section 17(6) of the Children (Scotland) Act 1995

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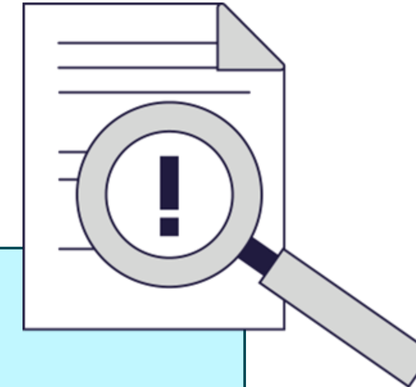
# Care leaver payment – definitions



Continuing care:

- A duty on local authorities to provide young people who are looked after and accommodated at age 16 or beyond (final placement ‘away from home’), with the same accommodation and other assistance they received before they stopped being looked after.
- Continuing care can last up to 21st birthday.

Ref: section 26A of the Children (Scotland) Act 1995

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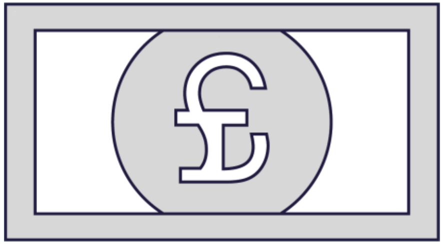
# Care leaver payment – how is it paid?



- It is usually paid as money, although some or all of it can be paid as voucher or paid to a provider for goods or services if young person wishes
- Payment may also be made in the form of a voucher if the local authority thinks young person is at risk of financial abuse
- Usually, the care leaver payment is made as one payment but can be made in two instalments if young person agrees to this
- If made in two instalments, the first instalment should be made as soon as possible after young person stops being looked after, or stops being in continuing care, and the second instalment should be made on a date that they agree with the local authority.

# Care leaver payment – claiming and challenging

- No claim required – the local authority which last looked after the young person should identify that they are entitled and tell them about how the payment will be made
- If a young person thinks they are entitled to a care leaver payment and has not been notified by the local authority, they should ask that it determines whether they are entitled
- If the local authority decides that a young person is not entitled, they can request a review of this decision – they should do so within one year of the determination

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# Further resources

The law:
Care Leaver Payment (Scotland) Regulations 2026
https://www.legislation.gov.uk/ssi/2026/142/contents/made

The guidance:
https://www.gov.scot/publications/care-leaver-payment-guidance-recipients/pages/1/

CPAG in Scotland information:
https://cpag.org.uk/welfare-rights/benefits-scotland/scottish-benefits/children-young-people/care-leaver-payment

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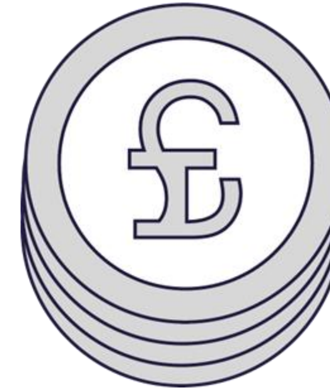
# Care-experienced bursary



- **Care-experienced student bursary (not repayable)**:
  £9,000 a year in higher (advanced) education
  £225 a week in non-advanced college education
- **Summer accommodation grant** for care experienced people in higher education – £**1,330/£665** paid direct to student (from Student Awards Agency Scotland – SAAS).

  Eligibility for both: 'looked after' at any time - eligibility criteria may be wider for students who have lived with a kinship carer
- **Special support loan** of £2,400 also available for student in higher education (not income-assessed)

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# Care-experienced bursary and interaction with universal credit

Crucial to remember that many full-time students cannot get universal credit

CE bursary counts as income after disregard (£110 a month for universal credit)

For many students, the care-experienced bursary is higher than any potential benefit entitlement

Special support loan is disregarded (because it is for study costs)

cpag.org.uk/welfare-rights/benefits-scotland/more-info/benefits-students-factsheets/care-experienced-students

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# Kinship carers and the abolition of the two-child limit (from 6/4/2026)

- The two-child limit had limited impact on kinship carers because:
  - kinship carers of looked after children should not usually be getting the child element <u>at all</u> for the child/children who are looked after
  - 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'
- What if you identify that it was wrongly applied?

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# Kinship carers and the abolition of the two-child limit

. . .what if you identify that it was wrongly applied?

Example:

Kinship carer tells you that they started caring for their nephew (dob 5/2/20) in June 2025. Their UC already included amounts for two children. They told UC at the time and explained that their nephew would otherwise have been placed with a foster carer (confirmed by social work). UC did not add on another child element in June 2025 but did so after April 2026 when the 2-child limit was abolished.

What should they do?

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# Kinship carers and the benefit cap

- Remains an issue – there is no specific exception relating to kinship carers (except being in receipt of guardian's allowance, which is unusual because guardian's allowance only relevant where child is orphaned or effectively orphaned)
- Local authorities should be alert to the impact of the benefit cap when calculating kinship care allowance
- Remember exceptions and discretionary housing payments

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# Benefit cap – still an issue

- Couple who have two children and have taken on the care of their niece and nephew
- They have a kinship care order for their niece and nephew
- Their rent is £500 a month. They are not currently working
- The benefits cap for them is £1835 a month

| | |
|---|---|
| Universal credit (monthly): | £2,430.67* |
| Child benefit (monthly): | £349.92 |
| Monthly total: | £2,780.59 |
| Excess over cap (monthly): | £945.59 |
| (this amount deducted from UC) | |

* £666.97 (standard allowance) +
£1,263.70 (child element x 4) +
£500.00 (housing costs element)

Remember to check exceptions – no specific kinship care exception (although remember guardian's allowance)

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# DHPs and kinship care allowances

- Discretionary housing payments (DHPs) should be used to mitigate the benefit cap (as well as the bedroom tax)
- Scottish Government guidance at https://www.gov.scot/publications/scottish-discretionary-housing-payments-guidance-manual/
- Local authorities should also be alert to benefit cap impact when calculating the kinship care allowance (if applicable)

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# Calculation of kinship care allowance (pegged to fostering allowance rate)

## Who is eligible:

- Kinship carers of looked after children
- Kinship carers where kinship care order (or guardianship) in place, and
  - child previously looked after, or
  - child at risk of becoming looked after

## How much is the kinship care allowance?

- National minimum allowance currently (weekly):
  - 0 to 4-year-olds: £177.68
  - 5 to 15-year-olds: £206.71
  - 16-years-old and over: £283.35
- Deduct 'child-related benefits' which a foster carer wouldn't receive (child benefit and universal credit child element)

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# How to calculate when a kinship carer's UC is reduced due to other income?

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?

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# Help for advisers

## Advice by telephone:
## 0141 552 0552

Monday to Thursday, 10am - 4pm,
Friday 10am – 12 noon.

## Advice by email:
## advice@cpagscotland.org.uk

Free, independent, expert, up-to-date advice and information to frontline advisers and support staff on all aspects of the benefits system. More info here.

More resources for advisers can be found at cpag.org.uk/welfare-rights

Sign up to our email newsletter: what's new for advisers – CPAG welfare rights

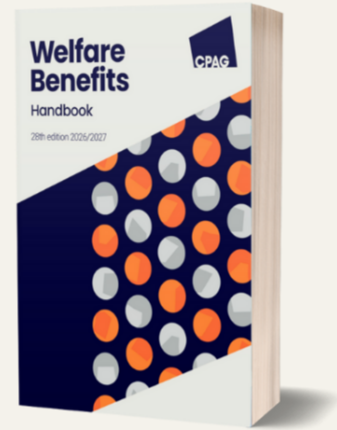
# New Welfare Benefits Handbook

Our flagship publication, the Welfare Benefits Handbook, is the must-have guide to the social security system. Fully updated for 2026/27, and written by a team of more than 20 experts, this edition covers the latest changes to universal credit elements, work-related requirements and disability and carers' benefits.

It also provides practical guidance on overpayments, deductions from benefits to third parties, how to challenge benefit decisions, and provides the expertise needed to maximise clients' income, carry out comprehensive benefits checks, support claims and deal confidently with problems when they arise.

We've also produced a wall chart (available in A2 and A4) which give quick and handy access to the benefit rates for 2026/27.

You can access CPAG publications online with a **Digital+** subscription. Visit our website for more information: https://cpag.org.uk/welfare-rights/become-subscriber


**Handbook**

Welfare Benefits Handbook

**£84.50 + pp**
**Member Price: £71.83 + pp**

**Print Bundle**

Welfare Benefits Handbook
+ A2 Benefits Rates poster

**£88.50 + pp**
**Member Price: £75.23 + pp**

CPAG Training

**Child Poverty Action Group in Scotland**
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Glasgow
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