

**Note of Ministerial Meeting with Liam Byrne MP, Minister for Borders and Immigration and Kevin Brennan MP, Parliamentary Under Secretary of State for Children, Young People and Families, with London Councils and the Local Government Association**

**Date:** 22 April 2008

**Attendees:**

Liam Byrne MP (Home Office), Kevin Brennan MP (Department for Children, Schools and Families), Cllr Roger Lawrence (LGA), Cllr Merrick Cockell (London Councils), Cllr Paul Carter (Kent)

Matthew Coates (Home Office), Paul Darling (Home Office), Jeremy Oppenheim (Home Office), Brian Kinney (Home Office), Dee Burke (Home Office), Mark Burrows (DCSF), John Ransford (LGA), Helen Johnston (London Councils)

The two issues raised with ministers were:

1. Funding for unaccompanied asylum seeking children leaving care
2. Special Circumstances funding 2006/07 for unaccompanied asylum seeking children (UASC)

**1. Funding for unaccompanied asylum seeking children leaving care**

Cllr Lawrence set out the need to resolve ongoing funding issues for UASC leaving care so that we can draw a line under the old system of support for asylum seeking children and deliver the principles of the UASC reform programme.

Cllr Carter described the funding pressures in the "Joint Councils" group of the 10 highest spending local authorities on asylum seekers. He set out the shortfalls in his own authority, Kent, which spends £5 million per year on UASC leaving care and receives funding for just half of this giving an annual shortfall of £2.5 million. Cllr Cockell described the situation in Hillingdon which has an outstanding deficit of £15.5 million since the Hillingdon Judgement ruled that local authorities have a duty to support UASC leaving care with education and associated costs.

The government outlined the distinction between invalid claims and unmet costs. Around 13% of the current grant claims for UASC leaving care are invalid which means support was given to people without a genuine asylum claim. The local government representatives clarified that this was not a discussion about invalid claims, and that they accepted that payments should not be made where the grant conditions have not been met, but that this was a discussion about the shortfall between the total spend on UASC leaving care and the contribution through the DCSF grant.

Cllr Cockell pointed to the government's New Burdens principle which states that any new burden on local authority should be met in full – not partially as is the current arrangement with UASC leaving care. This has cross party agreement from local authorities and a partial contribution is not good enough. Local authority estimates are that the shortfall in 2006/07 alone will be £32 million.

## **2. Special circumstances 2006/07**

John Ransford described the breakdown in the process for negotiating special circumstances bids in 2006/07. London Councils and the LGA were not informed of the proposed allocations and did not know the levels of funding until member authorities received letters offering an unsatisfactory settlement of 70% to the 3 gateway authorities and 38% to all other authorities. Paul Darling clarified that shortfalls are only on the levels over the basic and enhanced rates which are met in full but local government representatives stated that this still amounts to £10 million and is unacceptable.

Liam Byrne referred to inconsistencies in administration costs where, for example, the number of UASC supported in Kent has fallen by 39% but administrative costs have fallen by just 4%. Cllr Carter explained that the facilities were put in place by the local authority to support previous levels of asylum seekers and this cost had to be met whether places were taken up or not. There will always be a lag in the reduction of costs for a service where numbers fall.

Cllr Lawrence made the case that administration costs were still just 25% of the total expenditure on UASC. Cllr Cockell stated that the local government associations will contact member authorities to provide individual explanations where costs have not fallen in line with numbers and that we can then get into the negotiation of funding levels for 2006/07. PriceWaterhouseCoopers has audited Kent, Hillingdon, Oxfordshire and West Sussex and has independently validated the expenditure on UASC.

Liam Byrne concluded the meeting reflecting on the future of the UASC reform programme and, in particular, the need for authorities to come forward as specialist authorities. He acknowledges that these discussions can not progress until these funding legacy issues are resolved. He made a commitment to working on this shared agenda with local government.

### **Actions agreed in the meeting**

- It was agreed that a meeting between officials and local government officers would take place within a month to go through the detail of the claims and shortfalls.
- Members and Ministers will act on the conclusions of that joint meeting.

### **Actions agreed in debrief after the meeting**

- **Members agreed not to support progress with the future arrangements for UASC reform, including identification of specialist authorities, until these funding issues are resolved. The current situation is that any specialist authority will be left with a financial burden when UASC in their care reach 18.**
- **The LGA will convene a full day session with DCSF and Home Office officials to consider both UASC leaving care and special circumstances for 2006/07. Local authority experts will be invited to attend.**
- **The LGA and London Councils will submit a joint letter to Ed Balls MP (Secretary of State for Children, Schools and Families) and Jacqui Smith MP (Home Secretary) to confirm local government's position on this funding.**