

Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau /  
Equality, Local Government and Communities Committee  
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# Protecting children through guardianship:

## The costs and benefits of guardianship for unaccompanied and separated migrant children

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### Overview

This briefing summarises the findings of a new report from UNICEF UK and The Children's Society assessing the costs and financial benefits of establishing a legal guardianship service to protect and support unaccompanied and separated migrant children (hereafter referred to as separated children).

Our appraisal has estimated that **for every £1 spent on the service over three years, as much as £1.25 could be saved.**

- A guardianship service would cost £6237 per child, per year
- Annual operating costs would total £19m
- Total cost over three years (including set-up) of £45m
- Overall potential benefits totalling £107m
- Overall potential savings totalling £62m.

Crucially, our analysis demonstrates that the economic case for a guardianship service becomes even stronger when we factor in financial benefits once separated children reach

adulthood (the age of 18). Once this is taken into account, we estimate that up to **£2.39 could be saved in benefits for every £1 spent over three years.**

Many separated children are seeking protection from persecution, war and violence. They may have been abandoned by, or become separated from, their parents or carers once outside their country of origin and may also be victims of human trafficking and exploitation. Around 2500 to 3000 separated children arrive in the UK alone each year, most with no adult in the country that holds parental responsibility for them.<sup>1</sup> These children have a particular need for an independent legal guardian – **one consistent individual to oversee and co-ordinate the agencies, services and processes which the child needs to navigate;** one individual to

<sup>1</sup> Separated children (including victims of trafficking) are looked after by local authorities under Section 20 of the Children Act 1989, rather than under a Section 31 care order where the local authority has full parental responsibility for the child.

support them through language and cultural barriers to know and access their rights.

The vulnerabilities and additional needs of separated migrant children are widely recognised. Indeed, the UN Convention on the Rights of the Child and international law on trafficking clearly articulates the responsibility of states to provide guardians for all separated children. **Without guardians, many separated children do not experience the safety and support they are entitled to.**

## The model of guardianship

This appraisal is based on a model of guardianship that focuses on the key principles and functions emerging from international best practice and international law<sup>2</sup>, namely that a guardian should:

- Be appointed to every separated migrant child (including potential victims of trafficking) at the point of identification
- Be enshrined in statute
- Be independent from the state
- Have legal authority and adequate legal powers to represent the child's best interests
- Be inspected by an existing regulatory body.

In this model, specific functions include, but are not limited to:

- Ensuring all decisions are taken in the child's best interests and the child receives appropriate welfare services and accommodation
- Ensuring access to legal and other representation (including instructing a solicitor where relevant)
- Consulting with and advising the child
- Attending relevant interviews and proceedings with the child
- Contributing to the identification of a long term resolution (a durable solution) for the child that takes account of the child's best interests.

We welcome the important steps the government is taking to tackle modern slavery and human trafficking, in particular through trials of independent advocates for trafficked children. However, we urge the government to consider how its plans for independent advocates can be further developed to secure the rights and best interests of all separated children, and as a result achieve stronger protection for all potential child victims of trafficking.

The following additional assumptions have been used to assess the costs and benefits of a guardianship service in England and Wales:

- 3000 service users per year (1500 in first year of operation) – to allow for fluctuations in immigration figures
- A ratio of guardians to children of 1:16 – 188 guardians in total
- A ratio of supervisors and support staff to guardians of 1:15
- Guardians working through a national guardianship service with a head office, nine regional offices in England and one in Wales, to support the travel required to engage with children across the country.

The appraisal looked at a three-year operating period to allow for considerations of set-up, operational delivery and service impact. It also took into account a six-month lead-in period in the first year to take the service to full capacity. We determined that the service would run alongside existing social services, child safeguarding and inspection mechanisms and systems, with a requirement on all agencies that come into contact with a separated child to refer that child to the guardianship service.

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<sup>2</sup> UNICEF (2006), Guidelines on protecting the rights of trafficked children; UN Committee on the Rights of the Child (2005), General Comment 6; EU Trafficking Directive (2011); Council of Europe Convention on Action against Trafficking in Human Beings

# The overall costs and benefits of guardianship for separated children

We estimate that annual operating costs (excluding set-up costs) for a legal guardianship service for 3000 children in England and Wales would total **£19m**, with a unit cost for the service of **£6237 per child per year**. Once set up costs are also taken into account, the total cost over three years is **£45m**.

This cost is comparable to other guardianship services in Europe, for example:

- Scottish guardianship service<sup>3</sup>: £4892
- Dutch guardianship service<sup>4</sup>: £6490
- **Proposed guardianship model in England and Wales: £6237**

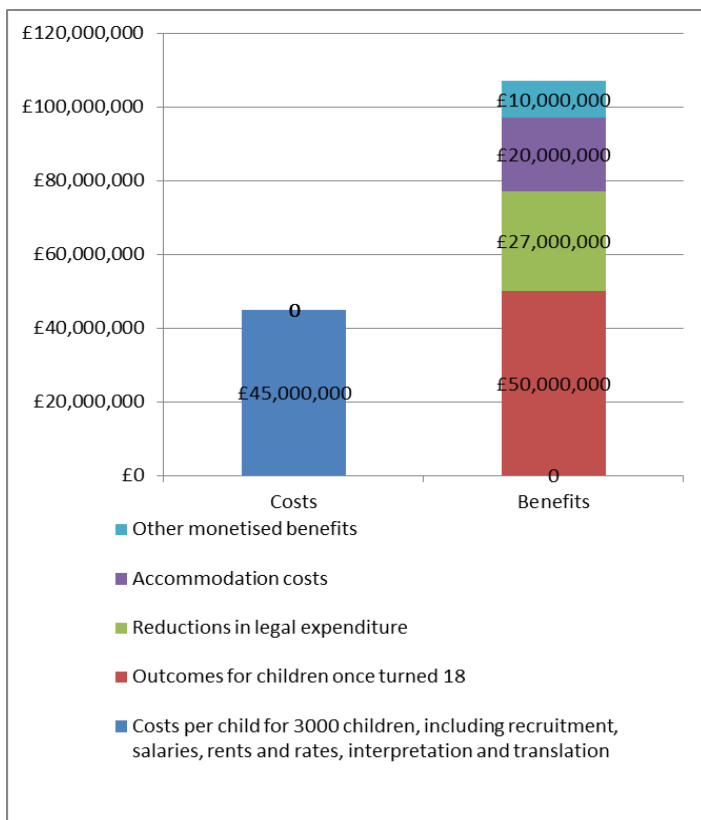
The Scottish service (for all separated children) is significantly smaller in scale than that which would be required across England and Wales. Unlike the Dutch service and the model used here, it is not statutory and guardians do not hold legal powers or authority.

We estimate that the guardianship service could result in substantial savings on other expenditure, delivering monetised benefits which could amount to as much as **£107m**.

The most significant savings and benefits are found in:

- Expenditure related to separated children once they reach the age of 18 (approximately £50m)
- Reductions in legal expenditure by local and central government (approximately £27m)
- Accommodation costs (approximately £20m).

Taking both costs and savings into account, the guardianship service could deliver savings to the public purse of as much as **£62m** over three years.



Although the establishment of a legal guardianship service would necessitate initial upfront expenditure, the potential savings made over three years clearly suggests the service is **financially viable**. Upfront costs will be recovered through savings as the service would reduce costs elsewhere across the public sector.

<sup>3</sup> Run by Aberlour Child Care Trust and the Scottish Refugee Council, funded by Scottish Government

<sup>4</sup> Run independently by Nidos, funded by Dutch Government

## Detailed findings

The analysis estimated that the set-up and operating costs of a model of legal guardianship in England and Wales (based on the assumptions above) totals £45m over three years. This figure includes a wide range of expenditure that would be necessary in a professional service, including (but not limited to):

- Salaries for the management team, guardians and support staff
- Rent, rates and equipment rates for central and regional offices
- Recruitment, training and professional development
- Travel costs
- Interpreting and translation
- Regulatory expenditures.

Costs were divided into different categories based on the type of expenditure and its susceptibility to fluctuations in the external environment such as inflation or changes in fuel costs, the number of service users, increases in travel and rental costs, or interpreting and translation services:

- Fixed costs – required to maintain the guardianship service regardless of the

number of service users (i.e. management costs, rent, rates)

- Semi-fixed costs – fixed if the estimate of 3000 service users does not substantially change (i.e. equipment, recruitment, consumables)
- Semi-variable costs – those essential to the service regardless of the number of users, but affected by service user numbers (i.e. travel costs for the management team, professional development, regulatory costs, insurance, recruitment contingency funding)
- Variable costs – expenditure directly linked to the number of service users (i.e. salaries of guardians, professional development, interpreting and translation, travel costs for guardians).

The most significant single costs were identified as recruitment, salaries (management and guardians), rent and rates, and interpreting and translation. Costs for management have been based on a children's services structure that takes into account allocation of cases, case management, line management, supervised support for workers and departmental governance arrangements. These have been informed by existing (and similar) guardianship services in other countries.

Cost category	Year 0 (six months set up time)	Year 1	Year 2	Years 0-2
Fixed costs	£222,608	£296,810	£296,810	£816,228
Semi-fixed costs	£1,075,838	0	0	£1,075,838
Semi-variable costs	£214,066	£404,470	£404,470	£1,023,006
Variable costs	£6,205,560	£18,011,124	£18,011,124	£42,227,807
<b>Total</b>	<b>£7,718,072</b>	<b>£18,712,404</b>	<b>£18,712,404</b>	<b>£45,142,880</b>



The appraisal focused on identifying key benefits resulting from the involvement of a guardian with a separated child. It attempted to monetise these benefits where possible, based on data and information on existing systems of guardianship in the UK and Europe (and children's services more broadly). This created an informed estimate of **£107m in benefits of a guardianship service for separated children** over a three-year period - delivering savings to the public purse of as much as **£62m over three years**.

The primary monetised benefits that were identified by this analysis were:

- Social services support
- Police resources in missing persons investigation
- Time spent on interpreting
- Judicial time
- Legal expenditure
- Support from wider agencies outside children's services
- Accommodation (trafficked children who have been mistakenly held in YOIs)
- Expenditure relating to separated children once they reach adulthood (post-18).

In many of these areas, the cost benefit is determined by the expected impact of the guardian's engagement in existing processes, such as age assessments, asylum interviews, meetings with legal counsel, etc.

The qualitative or social benefits of guardianship, such as improved mental or physical well-being for children, were not in the scope of this appraisal. However, information gathered from Europe and the evaluation of the Scottish guardianship service suggests these benefits could be expected to have a significant, demonstrable and additional impact on children which could lead to further cost-savings. Further work is needed to ascertain and monetise these social benefits.

The most significant savings and benefits as a result of the guardian's involvement were found in relation to projected reductions in:

- State legal expenditure (approximately £27m)
- Accommodation costs (approximately £20m)
- Expenditure for separated children once they reach adulthood (approximately £50m).

### Legal expenditure

Cost savings to legal expenditure of **around £27m** were identified based on savings to local

authorities and the Home Office as a result of the involvement of a guardian. Approximate legal expenditure cost savings were identified in four areas over the three-year period:

- Costs to the local authority of fighting challenges to age dispute cases (£9m)
- Costs to the Home Office of resolving cases of children wrongly detained as adults (£1m)
- Costs to the Home Office for compensation payments to children wrongly detained as adults (£5m)
- Legal costs incurred due to wrongful criminalisation of trafficking victims (£12m).

Legal expenditure can be hugely costly to the public purse. For example, the cost of an age assessment challenge can range from £15,000 to £75,000 per case as they generate legal, administrative and procedural costs.<sup>5</sup>

It is predicted that the involvement of a guardian would help reduce the number of challenges that local authorities have to fight where children are challenging an assessment that they are an adult. The evaluation from the Scottish guardianship service has shown that guardians help to simplify and maintain momentum in the age assessment process which results in a more cost-effective procedure.<sup>6</sup> Guardians also help ensure that a more accurate assessment is made and that crucial information that would inform the assessment about the young person's maturity and development is included, as well as playing a role in supporting the child during the age dispute itself.

A guardian would also reduce the compensation and detention costs that the Home Office have to pay to children wrongly detained in immigration detention as adults. For example, in 2012, over £2m was paid in a court settlement to 40 child asylum seekers who had been wrongly detained as adults by the Home Office.

Finally, the guardian would also help reduce the legal costs for trafficked children who are wrongly criminalised for actions directly resulting from their trafficking situation. Child victims of trafficking are often processed through the criminal justice system when they

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<sup>5</sup> Coram Children's Legal Centre (2013) Happy birthday: Disputing the age of children in the immigration system [http://www.childrenslegalcentre.com/userfiles/file/HappyBirthDay\\_Final.pdf](http://www.childrenslegalcentre.com/userfiles/file/HappyBirthDay_Final.pdf)

<sup>6</sup> Crawley, H and Kohli, RKS, 'She endures with me' An evaluation of the Scottish Guardianship Service Pilot Final Report

come into contact with the authorities.<sup>7</sup> This is further complicated if their age is disputed because, if they are assessed to be over 18, they will be treated as an adult and need to prove that they were coerced into any crimes committed as a result of being trafficked. Guardians have been found to play an important role both in linking services and ensuring access to legal advice and representation when a young person has been detained. A guardian would reduce the legal costs for this group of children in relation to their asylum or immigration claims and in the event of an age dispute.

### Accommodation

Cost savings of **approximately £20m** over the three years were identified in relation to accommodation costs as a result of the guardian's involvement. We looked at the cost of trafficked children who have been wrongly criminalised and held in young offender institutes (YOIs) in comparison to the cost of private foster care placements. The average cost of a child detained in a YOI is £1923 per week compared to a private foster care placement at £380 per week. The real cost is likely to be cheaper, as the majority of separated children are accommodated in semi-supported accommodation, rather than in foster care.

A guardian would reduce the costs of detaining child victims of trafficking by ensuring they are not detained in YOIs, or are removed from detention as soon as they are identified. The trauma suffered by children who have been trafficked frequently means that they do not disclose what has happened for long periods of time. It is therefore imperative that guardians are allocated to all separated children so they can ensure the child is not wrongly criminalised, and if children have been trafficked, that any form of detention can be prevented.

### Post-18 expenditure

A substantial potential benefit totalling **around £17m per year and approximately £50m over three years** was identified from the direct involvement of guardians in informing the asylum and immigration decision-making process. This is due to the guardian's role in information gathering, liaising with and challenging agencies, as well as ensuring and improving children's access to legal representation. This results in improved communication between all agencies and a higher quality asylum and immigration process, which in turn makes it more likely that the

child's claim will be heard fairly and that decisions will be made in their best interests.

Based on evidence obtained from the Scottish Guardianship Service and anecdotal evidence from other guardianship services internationally, it is expected that a guardian would reduce the amount of litigation (legal challenges and appeals) in relation to the asylum and immigration process for local authorities and the Home Office. The costs of legal challenges - particularly where they go to full appeal - are substantial, costing between £5000 and £15,000 on average.

Guardians can also play a role in accelerating the transition for separated children from care to independent living. In 2010-2011 (the last available figure before substantial changes to the way funding was calculated), local authorities spent £92m on asylum-seeking children (£47,500 per child). In addition to net expenditure incurred by local authorities, the Home Office will experience a significant reduction in spending on grants to local authorities who are supporting children awaiting a final decision in relation to their immigration status.

As the role of the guardian is integral to delivering improvements to the quality of decision-making at an earlier stage (before a child reaches 18 years of age in many cases), it is reasonable to assume that young people will transition out of the care of local authorities into independent living at the point of reaching adulthood, leading to cost savings to the government.

Estimates for the costs of these annual benefits include:

- A reduction in the number of legal challenges to a negative immigration/asylum determination (£2m)
- Reduction in the number of full appeals to negative immigration/asylum determination (£6m)
- A reduction in expenditure by local authorities for post-18 separated care leavers (£6m)
- A reduction in the Home Office leaving care grant to local authorities (£2m).

### Other monetised benefits

Other approximate savings over three years identified as a result of the introduction of the guardianship service are:

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<sup>7</sup> Franklin, A. and Doyle, L. (2013), *Still at risk: A review of support for trafficked children*. The Refugee Council and The Children's Society: <http://tinyurl.com/o3e8k7w>

- Social services – savings on age assessments and work with missing children (£1m)
- Police resources – savings on missing unaccompanied and trafficked children investigations (£4m)
- Interpreting time – clearer and more concise communication, particularly during age disputes (£800,000)
- Judicial expenses – court and hearings costs to the Ministry of Justice regarding successful challenges to age disputes and children wrongfully detained as adults (£3m)
- Other professional time – reduction in time spent dealing with safeguarding episodes for safeguarding, health and education professionals (£2m).



# Illustrative case examples

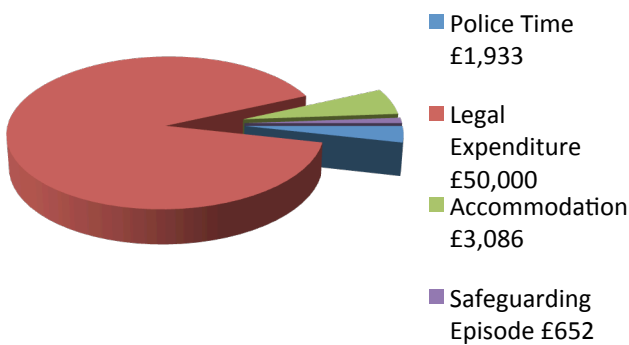
The following case scenarios are amalgamated examples based on typical situations experienced by separated children in order to illustrate the impact and potential savings accrued as a direct result of the intervention of a legal guardian.

A newly arrived unaccompanied minor is supported by the local authority under Section 20, but goes missing from their placement within a few days. The local authority had not identified that this young person was at risk of trafficking.

Months later the young person comes to the attention of police after being picked up for cannabis cultivation and illegally selling counterfeit DVDs. The young person is detained and criminal charges are pursued. The court recognises the young person as a victim of trafficking and he is released back into the care of the local authority, but only after he has been detained in a YOI for two months.

**Potential costs savings if a legal guardian was involved and had acted to identify risks and prevent young person from going missing; or had intervened at the earliest stage when young person was picked up for the criminal offence:**

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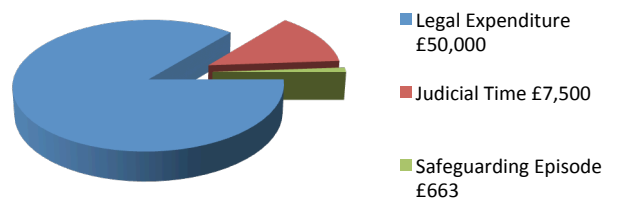


A 16 year old unaccompanied minor is supported by the local authority under Section 20 in supported accommodation. The manager at the bed and breakfast reports to the social worker that an older male has been visiting the girl and that she has been staying out overnight. Despite the social worker exploring this with the young person, she makes no disclosures and claims that the older male is a friend from her country.

A few months later, the young person is reported missing. She returns and is moved to a foster placement however it takes a two months for the girl to disclose that the man had been buying her gifts in return for sex. The girl was then referred to a specialist project that provided advice, guidance and support to address the specific needs and risky behaviours for children who have been sexually exploited.

**Potential cost savings if a guardian was involved and had been able to prevent sexual exploitation:**

□



## Conclusions

Based on our estimations, a system of legal guardianship for separated children in England and Wales could deliver significant financial savings across a three-year period.

Aside from the clear benefits to children evidenced through guardianship systems in other countries, from a financial perspective, these findings show the service may not only cover the cost of provision but also be expected to save money overall for the public purse in

terms of legal expenditure, accommodation, judicial expenses, missing persons investigations and social work time. The savings become particularly beneficial once the longer-term costs of providing for children over the age of 18 are taken into account, as well as the impact a guardian will have on improved decision-making for the child within the immigration process.

## Methodology for cost-benefit appraisal

The cost-benefit appraisal was based on a **review of existing literature to understand the operating systems and configuration of existing guardianship and advocacy services in the UK and across the EU**, to identify key areas impacting on expenditure relating to separated migrant children. These included processes such as asylum and immigration procedures, age assessment determinations, missing children investigations, judicial proceedings and administrative appeals.

**Existing cost analyses** were used in particular areas (such as the cost of judicial review and police investigations), while existing guardianship services including those in the Netherlands and Scotland were used to extrapolate data and formulate key assumptions regarding the set-up, operation and impact of a legal guardianship service. **Guidance** in the form of the Treasury's Green Book was used to attribute values to costs and benefits.<sup>8</sup>

Data was assessed for relevance and reliability then cross-referenced, where possible, to ensure as robust an appraisal as possible. This data was then used to identify estimated values for costs and benefits for how a legal guardian could, for example, affect the asylum process. Potential costs and savings were explored in this context. **Weighting was applied** in areas where impact was not immediately clear or may be more or less significant than expected (for example, in the number of children likely to need substantial support from an interpreter).

The appraisal that was undertaken was limited in that it did not provide a full cost-benefit analysis of the proposed guardianship service - it explores only monetised costs and benefits. Other anticipated positive outcomes to children and wider society, such as improvements in the physical and mental health of separated children, have not been costed, due to difficulties in monetising the benefits, a lack of available data or complexity in determining real terms impact.

The costs of civil legal aid and of procedures for appointing guardians to individual children were also excluded from this analysis due to difficulties in ascertaining hypothetical costs and impact at the time of writing.

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<sup>8</sup> HM Treasury (2011) *The Green Book Appraisal and Evaluation in Central Government*

## More information

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The full analysis and calculations on which this briefing is based are available separately in the main report, which can be downloaded from [www.unicef.org.uk/Latest/Publications](http://www.unicef.org.uk/Latest/Publications) and [www.childrenssociety.org.uk/publications](http://www.childrenssociety.org.uk/publications)

### About UNICEF UK and The Children's Society

**UNICEF** is the world's leading organisation working for children. UNICEF works with families, local communities, partners and governments in more than 190 countries to help every child realise their full potential. In everything we do, the most disadvantaged children and the countries in greatest need have priority.

UNICEF UK raises funds for UNICEF's emergency and development work around the world and advocates for lasting change for children worldwide. This includes, for example, working to change government policies and practices that are detrimental to child rights in the UK and internationally. Our UK programmes seek to build a better life for children in the UK from birth to age 18.

**The Children's Society** has over 130 years' experience of supporting society's most vulnerable children and young people. With them we fight childhood poverty, harm and neglect.

Our network of programmes includes drop-in services for runaways, as well as children's centres and support for young carers. We support children who are refugees from violence, and we give those in care a voice. We transform the lives of many more children by pressurising government and local authorities to change policy and practice to protect them, and we challenge the negative attitudes that perpetuate harm and injustice.

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