

Directorate for Children, Young People and Families

Children & Families (Social Care) Service's

Policies and Procedures – Fostering Service

Part Seven, Section 11 - Finance

1. Fostering Allowances

The table below sets out the allowances paid to all Foster Carers to cover the cost of caring for a looked after child. The minimum amount to be paid has been determined by the DfES and Staffordshire County Council now pays more than that rate.

AGE RANGE	WEEKLY ALLOWANCE
0-1	111.02
2-4	113.05
5-10	127.05
11-15	152.04
16+	159.04

The fostering allowances paid to carers covers the cost of caring for a child at home. The percentage guidance chart below gives an indication to the foster carers of the way this allowance is made up, and the amount of money allocated to each element.

There is an expectation that the clothing element of the allowance is fully spent on the child ensuring that they are well clothed while with the foster carer(s) and when they leave their care. Foster Carers may wish to set up a separate bank account for the clothing money and to retain receipts.

AGE	FOOD	CLOTHING	TRANSPORT	PERSONAL	HOUSEHOLD	TOTAL
0 – 1	34% £37.75	22% £24.42	8% £8.88	6% £6.66	30% £33.31	100% £111.02
2 – 4	34% £38.44	22% £24.89	8% £9.04	6% £6.78	30% £33.91	100% £113.05
5 – 10	32% £40.65	26% £33.03	7% £8.89	8% £10.16	27% £34.30	100% £127.05
11 – 15 years	32% £48.65	26% £39.53	11% £16.72	10% £15.20	21% £31.92	100% £152.04
16 + years	30% £47.70	26% £41.35	9% £14.31	17% £27.04	18% £28.62	100% £159.04

Miscellaneous Allowances for Children in Care

- (a) Pocket money weekly payment and birthday allowance for children at school or unemployed.

AGE	POCKET MONEY	AGE	BIRTHDAY
0 – 4	£1.85	0 – 1	£106.00
		2 – 4	£108.00
5 – 6	£2.10	5 – 10	£119.00
7	£2.35		
8	£2.60		
9	£2.90		
10	£3.15		
11	£3.65	11 – 15	£137.00
12	£3.90		
13	£4.65		
14	£5.20		
15	£5.95		
16	£9.35	16 – 17	£159.00
17 and over	£10.85		
18*	-	-	-

* 18th birthday allowances are now payable, by the residential establishments or to Foster Carers direct.

(b) Hospital gift £5.25

(c) Clothing allowance per week £14.10
(Except children at work or in independent living units)

The following page contains details of the things covered by each element of the allowance and includes the extra costs of caring for a child in some circumstances.

Allowances are paid from the date the child is placed and will cease the date the child moves. Allowances are not normally paid to more than one carer at a time when a child is being cared for elsewhere. Payment to the permanent carer will cease when the child goes for a short break and recommence when the child returns.

ADDITIONAL PAYMENTS

1. Food

Based on national average food costs. Any special dietary requirements should be discussed at the Initial Placement Agreement meeting and/or first review.

2. Clothing

Supplementary allowances are discretionary and is authorised through the child's social worker/team manager. Foster carers should take into account the plans for the child to ensure that unrealistic standards are not set for children and young people returning home e.g. the purchase of expensive 'designer' clothes. **The child's Social Worker is responsible for obtaining the payment.**

Minimum Clothing Standards:

Babies: 6 vests, 6 outfits/grow suits, 6 sleep suits, 3 cardigans, 6 pairs socks, 1 pair gloves, 1 warm hat, warm outdoor suit.

Supplementary clothing allowance – up to £120

Toddlers: 6 vests, 6 pants, 6 socks, 4 outfits of joggers/trousers/jeans & tops and/or 2 dresses. 2 jumpers/cardigans, 1 pair shoes, 1 pair trainers or sandals, hat, gloves, coat, 3 pairs of pyjamas/nightdress, 1 dressing gown, 1 pair slippers.

Supplementary clothing allowance – up to £120

Children aged 5-10 years: coat or waterproof, 7 pants, 3 vests or T-shirts, 6 pairs socks, 3 outfits (jeans/trousers plus tops or dresses), 2 shirts or blouses, 2 jumpers/sweatshirts/cardigans, 2 pairs pyjamas/nightdress, 1 dressing gown, 1 pair slippers, 1 pair shoes, 1 pair trainers, 1 pair of Wellingtons, gloves, hat, PE kit including swimwear, 1 suitcase/holdall.

Supplementary clothing allowance – up to £180

[School uniform, where needed, should be considered over and above the initial clothing allowance].

Young people aged 11-16 years: 7 pairs pants, 3 bras, 6 pairs socks/tights, 5 T-shirts, 4 tops, 2 pairs jeans/tracksuit bottoms, 1 pair trousers/skirt, 2 shirts/blouses/dresses, 1 coat/jacket, 1 pair shoes, 1 pair trainers, 2 pairs pyjamas/nightdress, 1 dressing gown, 1 pair slippers, gloves, hat, PE kit including swimwear, school uniform, 1 suitcase/holdall

Supplementary clothing allowance – up to £220

3. Transport:

Covers all normal family mileage to see friends, attend clubs, routine doctors/dental appointments etc. Transport costs to contact, schools (outside the catchment area), meetings, case conferences will be paid, to be agreed in advance by Child Care Team Manager.

Mileage will be paid at **40p** per mile.

4. Personal:

To cover the child's or young person's personal items such as toiletries, toys and, where appropriate, leisure activities and clubs e.g. swimming, gymnastics, Brownies. For African or African/Caribbean children and young people, an additional allowance of £5 (12 years and under) and £7 (13 years and over) will be paid per week, to purchase creams/oils for skin care.

[Suggested Weekly Pocket Money Rates see previous list]

5. Household:

To cover extra electricity, gas or other fuel, normal wear and tear on household items, maintenance and redecoration of foster child's bedroom.

Basic Equipment: (usually provided by Fostering Service)

Babies:

Cot & mattress,
Buggy & cover
Stairgate x 2,
Fireguard,
Highchair
Bedding: 6 cot sheets, 3 cot blankets
Car seat
Feeding equipment
Bath & bath set, changing mat
2 Towels.

Older children/young people:

Bed; Bedding: 2 pillows, duvet, 2 sheets, 2 duvet covers, 4 pillowcases, waterproof cover, 2 bath and 2 hand towels; chest of drawers; wardrobe; Desk (optional).

6. Birthday/Festival/Holiday payments:

Payments of:

- 1 week minimum allowance for birthday.
- 1 week minimum allowance for a festival.
- 2 weeks minimum allowance for holidays.

7. Adoption Introductions:

Up to £5 per day, maximum of £30 per week, hospitality payment when facilitating introductions of child to adoptive parents. To be discussed with Family Placement Social Worker and authorised by the Family Placement Team Manager.

8. Education Trips:

C&F may pay for certain educational visits, other than a day trip, where, for example, this is part of the course work. Details should be discussed with child's Social Worker. Maximum of £100 per year per child to be agreed by the Head of Service. C&F may also agree to pay for one major school trip, up to £250, in the course of a child's school career. The appropriate Team Manager must agree these payments, in advance.

9. Miscellaneous:

C&F will cover the following expenses, to be agreed in advance:

- Passport.
- School photographs.
- Photographs for use in life story work.
- Reasonable child care cost when attending meetings concerning a foster child, foster carer training events, nursery costs when part of plan for child etc.

10. Residential School:

If a child attends residential school Monday to Friday, the amount payable is based upon three days per week during term time, plus school holidays. The calculation includes full pocket money and clothing allowances.

2. PAYMENT FOR SKILLS - OUTLINE OF THE SCHEME

2.1 Introduction

This document outlines the scheme for payment to foster carers offering foster care to Staffordshire children, which was introduced in March 2001.

The scheme is based on recommendations made by Fostering Network and is designed to recognise the range of skills and experience that foster carers possess, as well as the time and commitment involved in caring for children who are looked after by this division.

The scheme includes all approved foster carers, except for the following: carers who are part of the child's family or network; foster carers who are part of the Intensive Fostering Scheme or Level 5 project; remand scheme and family link carers.

The basis of the scheme is that foster carers should be paid by reference to their skills, rather than to the problems presented by individual children placed with them. The acquisition and subsequent maintenance of the necessary skills will be checked by reference to detailed examination of the evidence.

This scheme of payment raises issues distinct from the initial approval of foster carers under regulation 28 of the Fostering Services Regulations 2002 and the subsequent reviews of approval under regulation 29.

The Children's Workforce Development Council (CWDC) Training Support and Development (TSD) Standards for Foster Carers were implemented in April 2008. The Standards provide a bench mark to ensure that all foster carers receive relevant induction, training, support and continuing professional development. Staffordshire's Training Framework for foster carers promotes these objectives.

The completion of the CWDC TSD Standards by newly approved foster carers is part of a framework of induction, core training and continuing professional development that will equip foster carers with the essential skills and knowledge to meet the needs of the children in their care.

It is expected that carers will be able to evidence within the first 12 months of approval, that they have met the induction requirements by achieving a Certificate of Successful Completion on the completion of a portfolio of evidence of competency. Foster carers will then be expected to annually update and develop their knowledge and skills through their Personal Development Plan by continuing to engage with both Core and Continuing Professional Development (CDP) training and activities.

From April 2009 the Payment for Skills scheme will operate within the training framework.

2.2 Standards and Levels of Payment

There are four levels of payment, three of which involve payment of a higher rate over and above the basic maintenance allowance.

The levels are

- Level 1 Foundation Skills level
- Level 2 Accredited Skills level
- Level 3 Advanced Skills level
- Level 4 Advanced Plus Skills level

Everyone who applies to Staffordshire County Council to foster children undertakes the preparation course, 'Skills to Foster', as well as a home assessment. This offers basic preparation for the task of foster caring. Expectations of a new carer cannot be as great as a carer who has many years experience in fostering and who has undertaken relevant post approval training and development activities.

The baseline expectations for all carers, and the starting point for new carers on approval, are set out later in this section. Typically new foster carers will be approved on the basis that there is confidence that they will meet these expectations, even though the evidence that they do meet them may not be complete. Collection of evidence will begin from the start of the preparation to foster.

Level 1

Newly approved Foster Carers will be paid at Level 1 Foundation Skills Level.

Exceptionally, newly approved foster carers with previous fostering or demonstrable relevant experience may be approved to start above Level 1.

Level 2

Progression to level 2 will depend on the foster carer meeting the following requirements:

- A minimum of six months fostering experience
- A positive first annual review that identifies that the carers are working towards and are on target for the completion of the Certificate of Successful Completion within a year of their approval

- Their portfolios of evidence contain 2 completed Standards which have been presented to the Standardisation Panel for Feedback and have met the required standard.

If these criteria are met the level 2 payments can be made to the foster carers with the proviso that their Certificate of Successful Completion is achieved within 12 months of their approval.

On achieving the Certificate of Successful Completion foster carers will automatically be awarded level 2 accredited skills level and paid accordingly

When Foster Carers have achieved The Certificate of Successful Completion they may work towards achieving Level's 3 and 4 Payment for Skills by working to develop their skill level to an Advanced/Advanced + level by evidencing the required Standards against the PFS criteria.

Level 3/4

To achieve the Advanced/Advanced + levels foster carers will be required to submit portfolios detailing an advanced level evidence of competency against a number of the CWDC training, development and support standards for foster care. These standards are referred to by the Staffordshire Fostering Service as Higher Level Learning Indicators and are documented in the Staffordshire Fostering Service CWDC Training Support and Development Standards for Foster Carers Policy.

Carers should submit portfolios of evidence that demonstrate advanced knowledge and skill against these standards to the Standardisation Panel who will confirm that the requirements have been met.

In addition to meeting these competencies at the advanced levels foster carers will be required to meet the following performance criteria

Performance requirement for Level 3

Foster carers should demonstrate that they

- Support and are involved with the Fostering Service recruitment activities; for example, they are contributing to others learning by participating in 'Reggie the recruitment bus events, information evenings, supporting preparation and other training events.
- Have a 70% attendance record at support groups
- Produce verbal and written reports to a high standard about the child and young person in placement
- Have worked and continue to work successfully and positively with parents and professionals

- Have a positive experience of direct work with children with complex needs, for example children with communication difficulties, ADHD, life story work with children with a disability.
- Work closely and successfully with Sustain in direct work/behaviour modification programmes with children
- Have completed core training activities and can demonstrate participating in 6 certified training activities within a 2 year period including developmental activities such as e – learning and guided learning programmes.
- Have worked with children and young people in reducing the incidence of high risk behaviour.
- Have positive annual reviews
- Have demonstrated they have developed, enhanced and consolidated their knowledge, understanding and skills in the higher level learning indicators to a level 3 advanced level standard and this has been verified by the Standardisation Panel

Additionally it is desirable that level 3 carers will have either achieved or be enrolled on and working towards achieving NVQ 3 in Child Care.

A written submission will be required by the Fostering Social Worker and will show how these expectations have been met. This report, the carer's portfolio and the current Personal Development Plan/Review will be verified by the relevant Team Manager who will sign and date the social work report and submit it to the Fostering Service Manager for agreement that the skills level has been met. The Fostering Service Manager will confirm in writing to the carer that the skills level has been met. Payment will begin from the date verification was made by the Team Manager. The Fostering Social Worker will then notify the Finance Section of the change in circumstances.

Performance requirement for Level 4

Foster carers should demonstrate that

- They meet the performance criteria for Level 3

And additionally that

- That they take a lead role in the development of the Fostering service, for example, being a champion for a particular area of the service such as TSD Standards, recruitment, support groups, health and educational developments.
- They co – facilitate and support training and development activities

- Their personal development review shows evidence of their participation in advanced continuing professional development training activities. Carers should have attended a minimum of 6 certified development activities within a 2 year period.
- They undertake the role of formal mentor to new/less experienced carers and/or undertake the role of learning mentor to support other carers personal development
- They are pro active in their own continuing professional development keeping evidence within their portfolio up to date. Their portfolio should be assessed as current and at an advanced plus level standard.
- They should demonstrate that they have developed, enhanced and consolidated their knowledge, understanding and skills in the higher level indicators to a Level 4 Advanced Plus skill level. This should be verified by the Standardisation Panel
- They should be able to demonstrate that they have worked with young people aged 10 – 18 years with high tariff behaviour and complex needs
- One carer must be available at all times and therefore not in paid employment
- They should be able to demonstrate that they have engaged with therapeutic work. For example, planned risks approach under appropriate supervision and support.
- Have positive annual reviews

Additionally it is desirable that level 4 carers will have either achieved or be enrolled on and working towards achieving NVQ 3 in Child Care with an identified target date for completion.

A written submission will be required by the Fostering Social Worker and will show how these expectations have been met. This report, the carer's portfolio and the current Personal Development Plan/Review will be verified by the relevant Team Manager who will sign and date the report and submit it to the Fostering Service Manager for agreement that the skills level has been met. The Fostering Service Manager will confirm in writing to the carer that the skills level has been met. Payment will begin from the date verification was made by the Team Manager. The Fostering Social Worker will then notify the Finance Section of the change in circumstances.

Maintenance of the current PFS Level

In all cases, the evidence contained in a Foster Carers portfolio must be current. Foster Carers need to maintain current and reliable

evidence within their portfolio and be able to demonstrate the required performance criteria for their PFS level. For example, it is understandable that some carers may have other commitments that prevent them from working to achieve the criteria required to meet the advanced levels, in these circumstances carers will need to maintain their portfolios at their current level by ensuring that the evidence of the skills and knowledge they have acquired remains current and reliable.

Fostering Social Workers will assess Foster Carers portfolios on a regular basis. Fostering Social Workers will submit the Foster Carers portfolio for review with their Team Manager on an annual basis.

It is expected that the Social Worker and Carer regularly review the requirements for the PFS levels within the supervisory meetings. Carers should be informed within Supervision meetings about the requirements to maintain or progress their PFS level.

Carers may move between PFS levels according to whether they meet the competencies and criteria for a particular level. If a carer is no longer performing at, or meeting the competencies and criteria of their current level they will be moved to a lower level.

Following the annual review of the evidence by the Fostering Social Worker and Team Manager, and where a Carer has been assessed as unable to maintain the current skill level criteria, the Team Manager will notify the Fostering Service Manager of the changed circumstances and recommend the appropriate skill level. Following verification by the Fostering Service Manager the Carer will then be notified in writing of the change in circumstances with details of the proposed Payment for Skill Level. The PFS level will be altered to the new level 28 days following the letter being sent to the Carer. The FP Social Worker will notify the finance section to make the appropriate changes.

There may be some circumstances where Carers are unable to maintain the required performance criteria due to unforeseen temporary events, for example, significant personal circumstances or ill health. In such circumstances reasonable allowances should be made and the PFS level may be maintained. The Team Manager will regularly review these cases with the Fostering Social Worker and timescales for the maintenance of the performance criteria should be recorded within the Carers Personal Development Review.

2.3 Responsibility for Assessment

Responsibility for the assessment needed to progress from one level to another is divided as follows

- A Fostering Social Worker will be assigned to each Foster Carer and will be responsible for home visits, supervision meetings and all necessary interviews as required.

- It is the responsibility of the Foster Carer to demonstrate that they have achieved the required competency (standard or higher level indicator) and performance. The role of the Fostering Agency and the Supervising Social Worker is to empower and enable Foster Carers to do this.
- The Fostering Agency has a responsibility to provide Foster Carers with the tools and an appropriate and reasonable level of support to enable them to demonstrate their underpinning knowledge, skills and learning and meet the required performance expectations.
- It is the responsibility of the Foster Carer to ensure that they are meeting the targets set within their Personal Development Plan/Review and their supervision records and that they are participating fully in developmental activities agreed within their PDP/Review.
- It is the role of the Fostering Social Worker to assess whether the Foster Carer has met the competency requirements (standards or higher level indicators) and performance criteria.
- It is the role of the Team Manager to monitor the work of the Fostering Social Worker and verify and endorse the evidence produced. It is the role of the Team Manager to endorse; where appropriate the recommendations made and subsequently report to the Fostering Service Manager.
- It is the role of the Team Manager to review evidence with the Fostering Social Worker on an annual basis to ensure that Carers are maintaining and developing their skill level. It is the Team Managers role to monitor and review individual cases on a regular basis where the performance criteria and/or portfolio evidence is not being met and to agree the support plan and timescale for resolution.
- The Fostering Service Manager will consider the recommendations made and confirm the outcome.

2.4 Areas of Dispute

Areas of dispute may arise regarding the outcome of decisions by both The Standardisation Panel and the final outcome regarding the Payment for Skill level. In these circumstances the representation process (see 2.5) should be undertaken. Alternatively Carers may choose to make a complaint by using Staffordshire County Council, Vulnerable Children's Service Complaints procedure (see separate policy). In all cases Carers should be advised of the Complaints Procedure.

2.5 Representation Process

Grounds for making representation

Foster Carers may make representation regarding the decisions made in circumstances where they believe that the assessment process and

procedure were not properly carried out. This is the only ground for representation.

How to make representation

Foster Carers should put their request in writing, providing detailed information in support of their case. This letter should be sent to the Fostering Service Manager.

Time scale

The letter of representation from the Foster Carer should be received no later than 21 days following the receipt of the notification of the outcome of the decision.

Acceptance

The Fostering Service Manager will consider whether the issues raised in the letter meet the grounds for representation. The Fostering Service Manager will write to the Foster Carer to indicate whether or not the appeal has been accepted. If accepted the matter will be referred to the Fostering Panel. The Carer will be notified when their representation will be considered by Panel which will take place within 2 months of the receipt of the representation.

Fostering Panel Consideration

The Fostering Panel will consider the representation, specifically,

- Whether or not the assessment procedures and process were carried out
- The reasons for the Standardisation Panel's decision and/or the outcome of the Payment for Skills decision.

The Carer will be given the opportunity to put his or her case to the Fostering Panel in person

The main focus of the representation process is to consider whether the assessment of evidence has been conducted in accordance with the relevant policies and procedures.

Representation Outcomes

The recommendation of the Fostering Panel in matters of representation can be either

- The representation is UPHELD.
- The representation is NOT UPHELD

In both cases panel will detail the reasons for their decision.

The recommendation will be considered by the Agency Decision Maker who will notify the carer of the outcome in writing no more than 5 working days from the date of Panel.

Financial Consideration

In circumstances where the representation is made regarding a change in the Payment for Skill level to a lower level, the higher level payments will be maintained until the Representation Process has been completed.

2.6 Foster Carers with relevant previous experience who join the Staffordshire Fostering Service

An experienced Independent Foster Carer transferring to the Staffordshire Fostering Service to care for children aged 10+ may come in at Level 4. They will be given 12 months to produce their portfolio of evidence for the Higher Learning Indicators and to demonstrate they meet the performance criteria. Any transfer will be in accordance with the protocol for transfer between agencies. For those wishing to take children under the age of 10 Level 3 payments may be made dependent upon experience.

2.7 New applicants with relevant professional experience

For new applicants with relevant professional experience entry at L3 can be agreed with the Foster Carer having 6-9 months to produce portfolio of evidence and demonstrate performance.

FOSTERING RATES 2010/11 PAYMENT FOR SKILLS

Level 1

AGE RANGE	WEEKLY ALLOWANCE	WEEKLY FEE	TOTAL
0-1	111.02	-	111.02
2-4	113.05	-	113.05
5-10	127.05	-	127.05
11-15	152.04	-	152.04
16+	159.04	-	159.04

Level 2

AGE RANGE	WEEKLY ALLOWANCE	WEEKLY FEE	TOTAL
0-1	111.02	42.98	154.00
2-4	113.05	43.86	157.01
5-10	127.05	50.95	178.01
11-15	152.04	70.00	222.04
16+	159.04	80.01	239.05

Level 3

AGE RANGE	WEEKLY ALLOWANCE	WEEKLY FEE	TOTAL
0-1	111.02	105.00	216.02
2-4	113.05	105.98	219.03
5-10	127.05	124.95	252.00
11-15	152.04	161.98	314.02
16+	159.04	179.97	339.01

Level 4

AGE RANGE	WEEKLY ALLOWANCE	WEEKLY FEE	TOTAL
0-9	Level 4 not paid for children under 10		
10 years + 11-15	152.04	259.98	412.02
16+	159.04	284.97	444.01

LEVEL 5

Level 5 is outside the Payments for Skills scheme. It is a stand alone project offering single placements to young people aged 10-15 who have the most challenging behaviours.

AGE RANGE	WEEKLY ALLOWANCE	WEEKLY FEE	TOTAL
10-15	152.04	450.00	602.04
16+	159.04	450.00	609.04

3. Payments for Skills - Additional Payments:

In addition to the Payment for Skills, the directorate will make additional payments.

For carers on Payment for Skills only, the following payments apply:

- A payment of **£25** to cover initial placement expenses will be made for those children being admitted from their own home into foster care. This will enable carers to purchase essential items. The money will be brought at the point of placement by the child's Social Worker and will not be deducted from the weekly maintenance allowance or any subsequent clothing allowance.
- Where a carer takes a sibling group of three an additional payment of **£30 per child per week** will be made. For four children or more the fee will be **£150 for the whole sibling group**.
- For carers who have fostered for **more than two years**, and have cared for a child/children for **more than 250 days in the year**, a **loyalty bonus of £300** will be paid. The year will run from 1st April to 31st March and the payment will be made the following April/May.

4. Joint Finance Unit (VPT) – Payment Details

4.1 Timing of payments

The payment period runs from Sunday to Saturday, so a payment advice or cheque received on a Friday/Saturday will be in respect of the fortnight ending that Saturday. (List of pay dates attached, see Appendix 1).

Allowances will continue to be paid when a child has an unplanned absence from placement for three days or less. There will be a deduction of this allowance when the absence is pre – agreed.

Child benefit is not payable to foster carers who are in receipt of a weekly fostering allowance.

Payment of all fostering allowances ceases the day before the young person reaches the age of 18 years.

Fostering allowances are paid fortnightly, in arrears, by either BACS (a credit direct into your bank account) or by cheque posted on Thursdays, which should arrive on a Friday or Saturday.

BACS payments are available for withdrawals to be made from Friday. Cheques will take up to three days to clear through a bank account, or longer through a Building Society account.

Carers presently paid by cheque can opt to be paid directly into their bank / building society account by ringing 01785 277180.

4.2 Checking Allowances/Entitlement

Carers should look carefully at the payment they receive to ensure that they are getting all the allowances they are entitled to. Please contact Staffordshire County Council, Joint Finance Unit (VPT), with any payment queries, or Tel: Stafford (01785) 277182 or 277180.

Alternatively, you can email: rena.lowbridge@staffordshire.gov.uk or debbie.broughdavies@staffordshire.gov.uk.

Where young people are moved at short notice, then the balance of any part weekly payments will not be expected to be returned. This practice does not automatically apply to **Special Initiative Payments**.

Please be advised that it is a legal requirement that all remittance advices be retained for a period of six years. This complies with the Statute of Limitations and meets both VAT and Tax compliance rules.

4.3 Change in Circumstances

The child's Social Worker must inform JFU (VPT) immediately of any change in circumstances. The carer should also contact the JFU (VPT) immediately should a placement end to try and avoid any overpayments. Any overpayments will be re-claimed by deducting 25% of the total allowance each pay run until the overpayment is cleared.

5. **Income Tax Relief for Foster Carers**

New tax relief rules were introduced for foster carers, from April 2003. The tax relief consists of two elements:

1. Foster carers are exempt from tax on the first £10,000 per year of their fostering income.
2. In addition, foster carers are entitled to further tax relief for every week (or part week) that a child is placed with them. For every week that a child aged 11 or older is in placement, the foster carer's tax relief increases by £250. For every week that a child aged 10 or younger is in placement, the carer's tax relief increases by £200.

If income from fostering exceeds these limits, the Inland Revenue must be informed. There are two ways for a foster carer to calculate how much of their income is liable for tax:

1. The simplest way is to declare as 'profit' the whole amount by which the total income from fostering exceeds the tax relief limits described above, or
2. The alternative way is to have the 'profit' calculated under the normal rules for self-employed people. Detailed records and receipts should be kept, including remittance advices so that accounts can be submitted to the Inland Revenue at the end of the tax year.

There is an Inland Revenue help sheet which explains these arrangements in more detail. This leaflet provides a Helpline number: 0845 915 4515/4655.

Contact details, including addresses, can also be obtained from the Inland Revenue's web site at www.inlandrevenue.gov.uk/local

A brief explanation note and copy of the Inland Revenue's latest help sheet will be sent to all current foster carers. Carers on Level 3 and above will also be sent details of all payments made for the financial year.

6. Benefits

The fact that a foster carer is receiving a 'reward payment' is ignored for means tested benefits, such as Job Seekers Allowance, Income Support, Family Credit, Housing Benefit, Council Tax Benefit, and Disability Working Allowance, as long as they meet the criteria for receiving these benefits.

A reward payment is taken into account for Job Seekers Allowance Contributory Benefit.

Carers who are receiving a benefit because they are incapacitated and considered unfit for work, can find the reward element taken into account, as the fostering is seen as work.

Single foster carers who have no children of their own under 16, and whose foster children are over 16, have to sign on as 'available for work' in order to continue to receive Job Seekers Allowance.

There are a number of benefits that foster carers can apply for on behalf of the children they care for, including Disability Living Allowance. It is advisable that carers seek guidance from the Department for Work and Pensions and the child's Social Worker before applying for any benefits for the child.

7. Disability Living Allowance

Guidance on the payment and use of Disability Living Allowance by foster carers

1. Disability Living Allowance (DLA) is a Social Security benefit available to disabled children who require help with personal care and/or supervision over and above that of other children of the same age, because of their illness or disability.
2. The DLA benefit contains both a care and a mobility component and is paid at different rates according to the child's needs. The DLA Care Component is paid at a low, medium or high rate and may be payable to a disabled child from the age of three months once the child's needs have been assessed. The Mobility Component is paid at a low or high rate (i.e. higher rate from aged three and lower rate from age five. Some children will receive either one or both elements.
3. Any adult caring for such a child, providing the child is not in hospital or residential care for more than 28 days, can apply for this benefit. Although the foster carer does not need the permission of the parent to apply for DLA, it would be good practice for the child's Social Worker to inform the parent of their intentions.
4. If a child is in receipt of DLA, prior to becoming a looked after child, the child's Social Worker should be involved in discussions with the parent concerning transfer of the DLA to the foster carer. The parent must notify the Department of Works & Pensions (DWP) that the child is no longer in their care and the foster carer should be advised to make an application to receive it. In the same way, if a child moves from one foster carer to another the foster carer must notify the DWP.
5. Where the child is in permanent foster care and in receipt of the mobility component of the DLA, this will transfer to the permanent carers.

6. DLA is paid to the child not the carer. Normally if the child is under 16 the carer acts as an appointee. Otherwise, the young person, providing they are capable, can have the benefits paid to them direct.
7. There are no conditions laid down by the DWP as to how the money should be spent. It is intended that the money be used to enhance the child's life so that the child derives maximum benefit from the payment of this benefit.
8. Foster carers will be expected to set up a separate bank account, in the foster carer's own name, into which the DLA will be paid.
9. The money is not intended to be saved for the child for use in later years as this could result in them being penalised. For example, if there is more than £3000 in an account when the child returns home, this will affect any benefits claimed by the parents. For a child reaching 16, a sum of more than £8000 will affect their claim for income support and housing benefits.
10. The child's Social Worker must be involved in discussion on how the DLA can be used to improve the child's life and is responsible for monitoring the way the money is spent. Carers are not expected to produce receipts but must show how it is being used for the benefit of the child.
11. Scrutiny of the money process to ensure that the DLA is being spent appropriately is the responsibility of the child's Social Worker, supported by the Family Placement Social Worker. If there is evidence that the DLA is not being spent by the foster carer on the child, it would be appropriate to make another adult the appointee. This would need to be considered by the appropriate Head of Service.

Examples of how the money could be spent:

- Activities that are costly, e.g. horse riding, after school clubs.
- Provision of an escort to enable social events to be attended.
- Extra helper for an outing or holiday.
- Taxi fares for trips out.
- A special holiday for the child, which could include covering the family's expenses.
- Caravan expenses so that the child can have regular breaks in a familiar place.
- Extra support such as child sitting service, using individuals who are CRB checked.
- Individual equipment such as a computer, communication aids.
- Laundry service & appliances.
- Replacement clothing, where there is excessive wear and tear on clothing.

- Additional heating costs.
- Additional help with personal care.
- Anything that will improve the child's life.

Please note that all escorts or helpers must have a current CRB check to ensure their suitability.

8. National Insurance

All foster carers who receive a reward from fostering are required to pay National Insurance contributions as self-employed people, which will provide benefits e.g. pension. This does not apply to Level 1 and Level 2 carers.

Those carers whose reward payment is below the threshold level for National Insurance payments need a 'Certificate of Small Earnings Exception' from their local DSS office. This does not, however, give entitlement to benefits nor give credit towards a pension.

Carers at Levels 3 and 4 will need to register as self-employed and pay National Insurance contributions. They have three months, from the time they become liable to pay tax, in which to apply.

9. Pensions: Home Responsibility Protection

Home Responsibility Protection (HRP) was made available to foster carers from April 2004.

What IS HRP?

HRP protects the basic Retirement Pension position of people whose opportunity to work is limited because they are caring for children, or a sick or disabled person. It also helps with bereavement benefits. It is designed to have the simplest of qualifying criteria - namely as a 'passport' entitlement based on the receipt of appropriate benefits. For carers of children, Child Benefit is the trigger.

Foster carers are not employees of the local authority and the allowance they receive for caring for a child is not normally subject to National Insurance or tax. 'Reward payments' are made in certain circumstances, which are classed as earnings from self employment and are liable for NI payments, but few foster carers receive these and some of them are granted exception from NI liability on the ground of low earnings.

As the children cared for by foster carers are technically in the care of the local authority, foster carers are not entitled to Child Benefit for them. Consequently, they are not covered by the HRP provisions for

periods of foster caring unless they have children under 16 of their own.

HRP has been extended to foster carers for each full tax year for which they are registered as an approved foster carer. This means that they will be covered for periods when they are awaiting a placement and will benefit emergency foster carers who are ready to take in a child at any time.

How HRP works

The amount of basic (Category A) retirement pension a person is entitled to will depend on the number of qualifying years (i.e. years covered by national insurance contributions or credits) they have built up during their working life. The working life runs from age 16 until state pension age (currently 60 for women and 65 for men). In order to receive a full basic pension, 9/10ths of the working life normally needs to be covered by qualifying years. The working life is currently 49 years for men and 44 years for women. Therefore, for a full basic pension, a man needs 44 qualifying years and a woman 39.

HRP reduces the number of qualifying years needed for a full basic pension. However, it cannot reduce that number below 20. The provisions apply equally to men and women.

The current maximum number of HRP years is 24 for men and 19 for women. When state pension age is equalized at 65 in 2020, both men and women will need 44 qualifying years for a full pension and HRP will cover a maximum of 22 years.

The broad intention of HRP is to protect a person's pension over substantial periods of home responsibilities, not short periods of a few weeks or months; the legislation therefore applies to complete tax years during which a person satisfies the conditions.

What has to be done?

Foster carers need to complete claim form **CF411**, which they can get from social security or Inland Revenue offices and send it to the Inland Revenue. They will need to enclose a letter of confirmation that they have been approved as a foster carer throughout the previous tax year. This letter will need to be provided by the Local Authority which has approved them. Provided everything is in order, they will have their entitlement to HRP for that tax year noted on their National Insurance account.

10. Insurance

Foster Carers must inform both home and car insurance companies that they foster. They must have fully comprehensive car insurance

with business use for fostering. If the companies impose an extra charge, i.e. for business use, this should be discussed with their Family Placement Social Worker.

Where a foster child has caused damage to property, the carer should initially contact their insurance company. If there is excess to pay, the Family Placement Social Worker should look into this being covered by C&F Services. Children & Families also has an insurance policy, which covers foster carers in circumstances where an insurance claim cannot be met.

11. Foster Carer Insurance – Guidance Note

The following insurance is provided in respect of Foster Carers, including those involved in the Family Link scheme; those of children under remand from the Court, and lodgings providers registered with Staffordshire County Council and involved in the Supported Lodging Scheme.

Property Insurance

Insurers: Zurich Municipal
Policy Number: QLA-02AA04-0013
Indemnity Limit: £100,000 any one household

This policy provides cover to all property belonging to persons appointed as foster parents/supported lodgings provider in respect of damage (wilful or otherwise) caused to Foster Carer/Supported Lodgings Provider's property by the foster child residing with an Insured Foster Parent/Supported Lodging Provider.

It is a contingent policy that would only pay if no other policy is in force or if the policy in existence fails to pay out for some reason.

Carer's property is defined as follows: 'Buildings and Contents belonging to an Insured Foster Parent/ Supported Lodging Provider'.

The following is **not** covered under this policy:

1. Theft of money
2. Damage to Motor Vehicles (whether being driven or not)

Where such damage or theft has occurred, the foster carer will discuss recompense with the child's Social Worker.

The policy is on a reinstatement basis and provides cover on a new for old basis.

The policy would cover Foster Carer/Supported Lodgings Provider's own children's property provided this property is within the Carer's home and forms part of the household's contents.

The policy is subject to an excess of £100, which will be met by Children & Families Services. Standard policy terms and conditions will apply to this cover, and it should be noted that all claims should be reported to the Insurance Company within 30 days of the loss.

Property Insurance:

Insurers: Zurich Municipal
Policy Number: QLA-02AA04-0013
Indemnity Limit: £5,000,000
Excess: nil

This policy indemnifies individual Foster Parents/Supported Lodging Provider approved by Staffordshire County against any claim made by a third party against the Foster Parents/Supported Lodging Provider arising out of the fostering by them of children in care of Staffordshire County Council.

The policy provides retrospective cover for Foster Parents arising out of claims made during the currency of the policy in respect of injury, illness, loss or damage, which occurred, between 1st April 1964 and 16th June 1989 when Policy TP-2A004-0183 was effected. During this period of cover, the Indemnity Limit was £1,000,000 and not as stated above. Cover for period 16th June 1989 to 30th April 1998 provided under policy TP-02A004-0183 with Indemnity Limit of £1,000,000.

Standard policy terms and conditions will apply to this cover.

For carers who have had an allegation made against them, legal insurance is provided by Fostering Network. Carers should consult the Advice and Mediation worker, on 01785 240121 for further details.

12. Equipment

Equipment is provided through the fostering Social Worker via the issue an official order giving details of the items to be purchased and maximum amount to be spent. The type of equipment that family placement provide is detailed in 1.

In exceptional circumstances permission will be given for carers to make the purchase and for money to be reimbursed on submission of the receipt.

13. Family Link Payments

When a link has been set up the child's Social Worker will complete a SW734 and forward it to JFU (VPT).

Payments for each session or series of sessions are initiated by the Family Placement Social Worker who will complete the Form SW807 for each date the child is in placement.

Payment is as follows:

Intros/Meetings -	£14.15	Up to 84 hours -	£166.00
Up to 6 hours -	£28.25	Up to 96 hours -	£183.70
Up to 12 hours -	£42.40	Up to 108 hours -	£201.35
Up to 24 hours -	£56.55	Up to 120 hours -	£219.00
Up to 36 hours -	£84.75	Up to 132 hours -	£236.70
Up to 48 hours -	£113.05	Up to 144 hours -	£254.35
Up to 60 hours -	£130.70	Up to 156 hours -	£272.00
Up to 72 hours -	£148.35	Up to 168 hours -	£289.65

Where agreement has been given by the area social work team to cover transport costs, the mileage will be paid at the rate of 40p per mile.

Any equipment required will be provided through the Family Placement Social Worker, in conjunction with the specialist OT services.

See previous sections for details of equipment, insurance, tax etc.

14. Remand Payments

Payments to remand foster carers are initiated by the child's Social Worker through submission of a SW734 to JFU (VPT).

Remand carers receive a payment of £348.18 per week.

15. Emergency Duty Service Fostering

Foster carers will be available on a rota to accept placements made by the County Emergency Duty Service Social Workers (EDS) outside normal office hours. This will increase placement choice, reduce the need to use residential emergency beds and enable siblings to be placed together.

Carers will receive £50 for one child, £75 for two children and £100 for three or more, in addition to payment of the appropriate for skills level (paid pro rata). Placement will be until the next working day only.