

## **Harrow Council Fostering Payments 2018/19**

### **Introduction**

Harrow payments are very competitive and take into consideration the skills, experience and dedication of our foster carers. We have introduced different bands of payments to recognise the diverse needs of Children Looked After. The majority of fostering placements will be paid at a standard fostering rate of £356 per week, of which £10 will be deducted for the LA to put into savings for the children. Only children and young people with specifically assessed needs will warrant enhanced or specialist payments. The criteria and process for enhanced and specialist payments is outlined on page 10.

This paper outlines the fostering payments carers will receive and also clear expectations of what day to day activities these should cover. We do not want to be over prescriptive but we need to set high standards and expectations of foster carers and the quality of care they provide for Harrows children.

### **All Fostering payments covers the day-to-day costs of caring for a child:**

#### **Food**

This includes all meals needed by the young people including school dinners. Older children should be given money out of the allowance if they are required to purchase food.

#### **Education and development**

This includes toys, books, educational and developmental materials, sports and music equipment, computer equipment and software, school holidays and outings.

#### **Out of school activities, entertainment and leisure**

The foster carer allowance will also cover funding for different activities such as cinema trips, after school clubs, specific children's interests such as sports, music and drama. Each child is different and needs to be encouraged to develop their interests and skills. Foster carers are expected to spend their allowance on at least one leisure activity or hobby for each child each week.

#### **School Trips**

If a child has been in placement over 6 months Foster carers are expected to pay the first £150 of any school trip per child and the Local Authority will pay the balance.

### **Holidays with foster children**

Foster carers are expected to take foster children on holiday and the costs be met out of their allowances. In exceptional circumstances a request can be made to the Supervising social worker for additional funding.

### **Mobile Phone**

Foster carers are expected to put aside £15 per month towards mobile phones costs. Reasonable cost of a basic mobile phone.

### **Toiletries**

The allowance also covers toiletries and appropriate hair and skin care.

### **Luggage**

Foster carers are must provide all children placed with them appropriate holdalls or suitcases to transport their belongings.

### **Contact**

The allowance also includes expenses incurred in maintaining contact with the child's family and friends. See section below on transport.

### **Savings**

After consultation with foster carers it has been agreed that £10 per week per child will be deducted from each foster carer's payment and the Local authority will place this in a savings account. When a child moves placement the savings account will move with them.

### **Guidance regarding fostering allowance**

The recommended weekly amounts are

<b>School Dinners</b>	<b>£25 ( £5 per day)</b>
<b>Pocket money</b>	<b>£10 per week</b>
<b>Social Activities</b>	<b>£25 per week</b>
<b>Holidays</b>	<b>£15 per week</b>
<b>Mobile Phones</b>	<b>£15 per month</b>
<b>Clothing</b>	<b>£20 per week</b>

For young children carers would buy clothes for the children in placement. Teenagers may be given the allowance directly. This can be clarified at the Placement Agreement Meeting and will depend on the assessment of the young persons capacity to use the allowance appropriately.

### **Additional Clothing**

The majority of clothing needs should be met from the weekly allowance. If a child arrives with little or no adequate clothing; an additional clothing allowance may be

payable. Requests need to be made via the supervising social worker and authorised by the Head of Service Corporate Parenting.

School uniform requirements should normally be met from the weekly allowance. In exceptional circumstances an additional allowance may be made if the child arrives without adequate clothing for school or a change of school has been necessary. Requests need to be made via the supervising social worker and authorised by the Head of Service Corporate Parenting.

### **Transport**

Transport arrangements for all placements should be agreed at the start of the placement and formally ratified at the Placement Agreement Meeting. The following principles apply:-

- 1) Foster carers are responsible for getting children and young people to school and other appointments.
- 2) If foster carers are unable to use their own cars, public transport should be used wherever possible. The use of taxis should be restricted and agreed.
- 3) Back up carers can be used to transport children.
- 4) The foster carer allowance should cover most day to day transport costs.
- 5) Claims can be made for journeys over 40 miles return.
- 6) Any additional expenditure required should be requested at the start of the placement and agreed by the Head of Service Corporate Parenting.

### **Equipment**

For their first placement Foster carers may be provided with basic equipment by the Family Placement Team to enable them to care for children. This could include beds, bedding, buggies, and safety guards. Equipment is the property of the Placement Service and a record will be kept of the equipment issued.

Equipment provided will be of a good quality and will be provided on a one off basis. The maintenance of this equipment will need to be paid for out of the weekly allowance.

### **Birthdays and Festivals**

The following additional allowances are paid for birthdays and for one festival per year. This needs to be identified by the supervising social worker and passed to the Business Support Officer/Finance Officer to process.

The following rates will be paid for the additional birthday and festival allowance

<b>Age Range</b>	<b>Amount per year</b>
<b>0- 4 years</b>	<b>£60.00</b>

<b>5-12 years</b>	<b>£80.00</b>
<b>13-18 years</b>	<b>£100.00</b>

### **Carer Payments**

We strongly recommend that you open a separate bank account specifically for your fostering payments.

Payments will be generated after the relevant week has ended and so will be based on what is actually due to you for services already provided with a payment period of Thursday to Wednesday.

### **Babysitting**

The agreed babysitting rate for foster carers to carer for other carers children is £5.50 per hour.

### **Respite Arrangements**

Foster carers can identify other foster carers to care for their placements for a planned respite but must get these arrangements agreed and approved by their supervising social worker.

Payments for Respite for short periods of time. Deduct clothing allowance (£20) from weekly allowance ie £346 -£20 then divide by 7 for the **daily respite rate £46.57**

### **Recovery of Overpayments**

- When an overpayment occurs and carers still have children placed with them, the overpayment will be netted off future payments until the overpayment is fully recovered.
- In very unusual circumstances when the overpayments are large amounts, recovery can be processed with a special arrangement with the service. All such arrangements are subject to the approval of the Head of Service.
- Finally when over payments are large and there are no other children in place to facilitate recovery, the Local Authority will, in line with corporate policies generate an invoice for the outstanding amount to be paid in full by the relevant carer in due course.

### **Holiday Payments for foster carers**

A holiday payment will be paid each year. This will be equivalent to one weeks of the standard fostering payment £346 per approved number of children or young people approved for. For example:

Approved for one child            £346

Approved for two children       £346 X 2    = £692

Approved for three children    £346 X 3    = £1038

These payments will only be made when foster carers can evidence all of the following for the previous year:-

- They have been available for regular supervision with their supervising social worker
- They have been available and willing to take placements
- They have kept up to date foster carer logs
- They have completed three training courses/activities
- They have completed the Training and Support Development Standards once they have been approved as a Foster Carer for one year.

These payments will be paid after a foster carer annual review when these matters can be evidenced.

### **Emergency Placements**

The Fostering Duty Social Worker provides our Emergency Duty Team social workers with a list of in house Foster carers who make themselves available to take an emergency unplanned placement out of office hours.

Foster carers will be paid £40 per week for this availability.

Foster carers who agree to be on this list must make themselves available to take placements and must take children referred within their age range.

### **Additional funding**

The foster carers allowance is designed to cover all the costs of caring for a child. In very exceptional circumstances additional funding may be seen as necessary to meet the needs of a child. Foster carers need to discuss this with their supervising social workers who in turn will need to seek appropriate management approval.

Any additional funding agreed will need to relate to a specific cost incurred and will be time limited.

### **Monitoring of allowances**

Supervising social workers will monitor through the statutory supervision visits that the fostering allowance is being used appropriately and that expenditure is accounted for. Supervising social workers will be required to regularly view receipts and the purchases. This will be recorded within the supervision visits record.

### **Retainer**

If children are removed from a foster placement due to an allegation, a retainer of £100 per week will be paid to the foster carer whilst an investigation is pending. This will be reviewed monthly and paid for a maximum of three months.

A retainer will not be paid if the carer has asked for the placement to end.

### **Parent and child placement**

The foster carer will receive a payment of £700 per week.

### **Insurance**

Foster carers are required to inform their home insurance company when approved. Foster carers should also inform their car insurance company. Any need to make a claim regarding a foster placement should be discussed with the supervising social worker.

Fostering Network can recommend insurance companies to use.

### **Annual Fostering payments Statement**

An annual statement can be requested in May each year after the financial year has closed by emailing [Artinvoices@harrow.gov.uk](mailto:Artinvoices@harrow.gov.uk) . We will process your request within 4 weeks and send the statement via email.

### **Car Parking**

Any car parking charges over £2.50 where carers need to pay for attending contact, CLA meetings or training will be reimbursed. Please provide receipts.

### **Special Guardianship Orders, Residence Orders and Adoption Orders**

All payments are means tested using the DFES model. A Financial assessment form will need to be completed and sent to the Head of Service Corporate Parenting.

Foster carers who take an Adoption order, Special Guardianship Order or Residence Order will also be subject to a means test assessment.

Residence Order payments are discretionary.

All Special Guardianship Order, Residence Order and Adoption Order allowances will be time limited and subject to regular review and annual financial assessments, which will require you to provide evidence of all financial income and outgoings.

### **Post eighteen placements**

All looked after young people over 16 should have a Pathway Plan which outlines how that young person will move onto independence and this should be very clear so that when they reach 18 these plans would have been implemented.

Any plan for a young person to remain with their current foster carers beyond the age of 18 needs to be discussed by all relevant parties and agreed by Head of Service Corporate Parenting. The status of this placement will then change at the young persons eighteenth birthday to become a Staying Put placement.

When the placement becomes a Staying put placement the carer will cease to receive a fostering allowance and will be provided with a Staying put allowance of £178 per week.. The young person is expected to claim for all state benefits in which they are entitled. Those young people not entitled to State benefits will receive an allowance from the Leaving Care Team to cover their day to day living costs.

If the young person is in full time study for A levels or equivalent the main fostering allowance may continue until the July after the young persons eighteenth birthday after which the payments would become Staying put rates.

### **Introduce a friend**

We have our recruit a friend scheme and if you nominate someone who goes on to be approved as a Harrow foster carer you will receive £200. Please make sure they mention you when they apply so we can ensure you receive this payment.

### **Tax advice**

Since April 2003, ALL foster carers have been treated as self-employed. You need to register as such when you are approved as a foster carer. Carers are entitled to qualifying care relief. Each financial year you need to calculate your qualifying amount. (the amount you can be paid before paying tax).

### **STEP 1**

Work out your tax-free 'qualifying amount' by adding together two elements:

A basic element of £10,000 per household per tax year on the basis the foster carer has been approved for the whole of the tax year (or pro rata for foster carers newly approved part-way through the tax year)

Plus

A child element, for each week (or part week) a child is placed with you of:

£200 per week per child aged under 11

£250 per week per child aged 11+

Example: child aged 8 is placed for a full year (6th April to 5th April). Basic element £10,000 plus child element £200 x 52 weeks ie £10,400 therefore TOTAL qualifying amount £10,000 + £10,400 = £20,400

Note that a tax week runs from Monday-Sunday, so if a child arrives on a Thursday and leaves on Tuesday, that counts as two 'weeks'.

## **STEP 2**

Work out your total payments from the fostering service for the tax year (6th April to 5th April). This is everything paid to you by the fostering service including fostering allowances, fee or reward payments, holiday or birthday allowances, mileage and any other expenses. We can give you a statement after the 5th April, showing your total payments for the year.

## **WORKING OUT IF YOU HAVE ANY TAXABLE PROFIT**

Now work out your profit – by deducting your 'qualifying amount' from your total payments from your fostering service provider.

If the qualifying amount is more than the total payments from your fostering service, the profit is zero.

If you have a taxable profit from fostering you might still not have to pay any tax if you have not used their personal tax allowance (for example, if you foster full-time and have no other employment). Every UK resident has a personal tax allowance which may vary with their circumstances. This is the amount of income you can receive each year, including any taxable profit from fostering, without having to pay tax on it. The Personal Allowance for most people born after 5 April 1948 for 2015/16 is £10,600. This allowance is how much taxable income you can have before you start paying Income Tax.

You can find more information about tax and national insurance on the Fostering Network website at the following link <https://www.fostering.net/all-about-fostering/foster-carers/finances/income-tax#.Va97ZctRHcs>

## **NATIONAL INSURANCE**

When you register as self-employed you also register for Class 2 National Insurance (NI) contributions. Foster carers have a number of options about how they wish to pay this Class 2 NI:

- Qualify for the **Small Profit Threshold (SPT)**. If a foster carer has no taxable profit from their fostering, or if they have taxable profit (the amount over the threshold) by up to £5,965 automatically they will not have to pay Class 2 NICs. Foster carers can make a voluntary contribution if they want to if their National Insurance record is not complete.
- **Pay them** (tax year 2015-16 they are £2.80/week)
- **NI credits** – foster carers can apply for a NI credit for each week they are approved as a foster care. Foster carers can apply for NI credits at the end of each tax year and they have one year to do so. There is a form they will need to complete



and will require a letter from their fostering service to confirm they have been approved for the tax year. A NI credit will count towards your NI record.

The option you choose from above will depend on your individual circumstances and whether you have a full NI record or not.

If you have further questions or need advice you can contact the Fostering Network member helpline on **0207 401 9582, open Monday-Friday, 10am-3pm**

## **Criteria for different tiers of payments**

### **1. Standard Fostering**

All Children Looked After will have experienced some degree of loss and difficulty and this will be evident in their behaviour and presentation. All foster carers are expected to be able to care for and manage the majority of children and young people and will automatically be paid a standard fostering payment.

### **2. Enhanced Fostering**

For these payments children and young people will be presenting consistent challenges which require enhanced input from the foster carers.

This would include

- regular engagement and involvement with therapists and other professionals
- one foster carer in the household needs to be available fulltime to ensure there is close engagement and supervision
- supporting social workers and other professionals in assessments of young people's needs
- managing and supporting young people presenting high levels of difficult behaviour
- Supporting children who are out of school and needing additional support with their education and learning
- Supporting young people involved in offending behaviour
- Supporting young people at risk of CSE or gang involvement

### **3. Specialist Fostering**

These payments are for children and young people with a considerable complex needs who would ordinarily be placed in residential care. These would be for foster carers who have proven skills and experience in working with complex needs and for young people who have proven and assessed complex needs.

All placements would automatically be paid at a standard rate. All requests for an enhanced or specialist rate will be based on a clear assessment of need and a decision will be made by Head of Service Corporate Parenting.

All enhanced and specialist rates will be time limited and subject to regular review and monitoring

**Weekly fostering rates**

<b>Standard Fostering payment</b>	<b>£356 - £10 (per looked after child)</b>
<b>Enhanced Fostering payment</b>	<b>£550 - £10 (per looked after child)</b>
<b>Specialist Fostering payment</b>	<b>£850- £10 (per looked after child)</b>
<b>Parent and Child Fostering payments</b>	<b>£700 - £10 (per looked after child)</b>