Children’s Social Care

Financial Support in Caring for Children

2010

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1. AIMS AND OBJECTIVES

The London Borough of Islington, in line with the United Nations Convention on the Rights of the Child, believes that every child has a right to family life.

Unfortunately, not all children are able to live with their own parents for a variety of reasons and require a substitute family or an adult, that can care for a child until he or she is old enough to live independently.

This family can be another part of their own birth family. An adult could be someone in their own family or someone who has been a significant person in the child’s life and is considered a member of the child’s extended network. Sometimes a foster carer of a child, who has looked after them for some time, expresses an interest in caring for a child on a longer-term basis.

Many children become looked after by the London Borough of Islington either because it is not considered safe for them to live with their parents or because there is no parent able to look after them.

After careful assessments by social workers and other professionals, plans are made about how these children may best be cared for in the future. In most situations it is a Family Proceedings Court who ultimately approves the plans for children’s futures in this respect.

When a plan is approved for a child to live permanently with a substitute family or adult, the London Borough of Islington is committed to ensuring that whoever the child should live with has adequate financial resources to be able to care for that child. Therefore it offers a financial assessment to all prospective families and adults who are to offer a permanent home to a child, providing they meet the criteria set out in section 2.

All periodic allowances made under Adoption, Special Guardianship or Child Arrangement Orders are based upon the maintenance component of London Borough of Islington fostering allowances. Therefore where several children are placed together, applicants will be assessed for each child individually.

The legislative framework and guidance set out in section 5 provides Local Authorities
with the authority to provide financial support in these circumstances, but also provides guidance on how it should assess and provide this along with any terms and conditions that must be complied with.

The procedures set out in this policy are mandatory and financial support cannot be agreed if they are not complied with.

2. ELIGIBILITY CRITERIA

Applicants wishing to be assessed for financial support under this procedure must meet both of the following criteria:

1) They must be the prospective or existing carers of a child who is or may become subject to:
   
   • A Child Arrangement Order as defined by Section 8 of the Children Act 1989
   • A Special Guardianship Order as defined by Section 14 of the Children Act 1989
   • An Adoption Order as defined by Section 46 of the Adoption and Children Act 2002.

2) The child to whom their application relates must either currently be a looked after child, as defined by section 20 or section 31 of the Children Act 1989 or must have been a looked after child, immediately preceding the making of one of the orders listed in criteria 1, or where LBI are a party to Family Court proceedings and the child was cared for under an arrangement which was considered to be an alternative to being looked after (e.g. Kinship foster placement, Interim Child Arrangement Order).

Exemption from these criteria requires the permission of the Director of Child Protection. In most cases where a child does not meet the above criteria, any financial assistance given by LB Islington will be granted under section 17 of the Children Act 1989.

A parent of a child will not be eligible for financial support under these procedures under any circumstances.
3. DEFINITION OF FINANCIAL SUPPORT

Financial Support can include:

- A one-off payment (Fixed Payment), to meet a particular cost in relation to a child. An example might be where a child moves in and bedroom furniture is required. (Refer to section 7.2)

- Legal Costs in connection with the application for the child to be made subject to an order listed in section 2. (Refer to section 7.2)

- Regular payments (Periodic Allowance) to meet ongoing costs in relation to a child. (Refer to section 7.2)

- Transitional Payments, remuneration to carers who were previously in receipt of a fostering allowance in respect of the child they are now considering caring for permanently under one of the orders listed in section 2. (Refer to section 7.3)

4. FINANCIAL ASSESSMENTS

4.1 The Team Administrator Adoption/ Family Plus Role

There are two Team Administrators responsible for financial co-ordination: one based in the Adoption Service for adoption related expenditure and one based in the Family Plus Service for expenditure relating to Special Guardianship and Child Arrangement Orders. The Team Administrator Adoption/ Family Plus role reports to their respective team managers and is responsible for:

- The effective management of the council's duties and responsibilities as set out in these procedures.
- Offering advice to social workers and applicants about these procedures and processing applications.
- Seeking financial authorisations from the Adoption Team Manager or Family Plus Team Manager and the Operations Manager (Children Looked After) or Director of Child Protection as appropriate.
- Passing financial authorisations on to the responsible payment officer for payments to be set up.
- Supporting the Operations Manager (Children Looked After) in considering and
responding to any representation or complaints received and for tracking these in accordance with the council's complaints procedures.

- Maintaining and updating as required, the Financial Support in Caring for Children's Procedures 2009 and all related documentation and templates.

### 4.2 Key components of the Assessment Process

There are different components to the financial assessment process outlined in this procedure, which when combined, will ensure that each applicant is assessed on the basis of:

- Their income (including any benefit entitlements)

And

- Their expenditure (including any special costs relating to the needs of the child)

Financial Assessments therefore include a number of steps, which are detailed in sections 6 and 7.

### 5. LEGAL FRAMEWORK AND LINKS TO OTHER POLICIES

#### 5.1 Legal Overview and guidance

It is important for practitioners to understand the legal framework that supports the provision of financial support, and where more detailed information can be obtained. Where clarity is required advice from a manager or from legal services should be sought.

The key pieces of legislation are the Children Act 1989 and the Adoption and Children Act 2002, the Adoption Support Regulations 2005 and the Special Guardianship Support Regulations 2005.
Child Arrangement Orders

Section 8 of the Children Act 1989 makes provision for this order, which can be granted to any adult (including a parent) by a Court. Schedule 1, Paragraph 15 (1) of the same act, gives the Local Authority the ability to provide financial support as part of a Child Arrangement Order, where the applicant is not a parent. The majority of Child Arrangement Orders cease at age 16 and financial support to the holders of Child Arrangement Orders will cease at the same time.

Practitioners must be clear with applicants that allowances will only be considered in relation to Child Arrangement Orders where the child’s circumstances meet the criteria outlined under ‘Eligibility Criteria’ in Section 2 above.

Any application made for financial support after a Child Arrangement Order is granted, would be assessed to consider whether a one-off payment under section 17 (CA 1989) is appropriate.

Special Guardianship

Section 14F of the Children Act 1989 (as amended by section 115 of the Adoption and Children Act 2002), provides for the Local Authority to make available a range of support services for special guardians, including financial support. This is detailed in the Special Guardianship Regulations 2005.

Detailed guidance issued by the Department for Children, Schools & Families (DCSF) (2005) provides more information about how Local Authorities must implement this. Practitioners should also refer to the LBI Special Guardianship Procedures 2006.

Adoption

Part 1, (Chapter 2, Section 4) of the Adoption and Children Act 2002 provides for Local Authorities to make available a range of support services for adoptive families. The Adoption Support Regulations 2005 sets out the circumstances in which a Local Authority may provide financial support to an adoptive parent.

Detailed guidance issued by the DCSF (2005) provides more information about how Local Authorities must implement this. Practitioners should also refer to the LBI Adoption Support Procedures 2006.
The following web sites contain legislation and general information about Child Arrangement Orders, Special Guardianship and Adoption both for practitioners and service users.

www.dcsf.gov.uk – Department for Children, Schools and Families
www.ecm.gov.uk – Every Child Matters
www.baaf.org.uk – British Association for Adoption and Fostering
www.frq.org.uk - Family Rights Group

5.2 Specific Guidance to the provision of Financial Support

Duty to consider Welfare Benefit entitlements and other payments

Financial support paid to applicants under the regulations referred to in section 5.1, may not duplicate any welfare benefits that they may be entitled to nor duplicate any other payments they may be in receipt of.

In determining the amount of any financial support, the local authority must take account of any other grant, benefit, allowance or resource, which is available to the applicant as if the child concerned were in placement already.

Disregarding allowances for the purpose of claiming benefits

Adoption and Special Guardianship

Financial Support for Adoption and Special Guardianship is partially or wholly disregarded for the purpose of calculating income related benefits and tax credits. This needs to be clearly written into any financial agreement that sets out the financial support that is to be paid.

Child Arrangement Orders

For people aged 60+, RO payments are ignored for Housing Benefit (HB), Council Tax Benefit (CTB) and Pension Credits (PC).

For people under 60, RO allowances are ignored for Income Support (IS)/Job Seekers Allowance (JSA) unless the person still gets an allowance in the IS/JSA for the child. If
they do, the RO is taken into account up to the amount paid for the child under IS/JSA regulations.

For people under 60 who do not have an amount for the child included in their IS/JSA (because the child allowance is included in the tax credit system), the RO allowance is ignored as income under reg. 19 table 6 of the Tax credits (Definition & Calculation of Income).

This means, that people under 60 should generally be encouraged to claim tax credits, unless they have mortgages being met by Income Support or other special circumstances.

Recipients of Child Arrangement Orders will be advised about how to ensure they are able to claim their maximum allowances through the financial assessment process.

**Terms and Conditions in respect of financial support**

If it is decided that financial support should be given, payments may be subject to conditions and a date specified by which the condition is to be met.

For One Off Payments, the authority may specify that equipment for which financial support has been given to meet any identified need of a child is installed by a certain date and that all receipts for said equipment are made available for inspection.

Prior to making periodic allowances and transitional payments available, applicants must sign and return a copy of the terms and conditions, which relate to those payments along with a copy of the agreement to provide a financial allowance.

The terms and conditions are that they must agree to inform the council:

1) Of changes to their home address

2) If the child (for any reason) no longer lives with them and this is seen as a permanent departure.

3) Should the child die

4) If there are any changes to their financial situation.
5) Of their agreement to comply with the requirements for an annual review of their financial support.
Cessation of Financial Support

Financial support will end in the following circumstances:

For Adoption and Special Guardianship Orders:

1) When the Order ceases or
2) When a child reaches statutory school leaving age (16 at the present time)

For Child Arrangement Order Allowances:

1) When the Order ceases (this may be age 16 in some cases but is now more commonly age 18) or
2) When the child reaches statutory school leaving age

Whichever comes first.

With the agreement of the Operations Manager for Looked after Children financial support can be extended to the age of 18 for a child where the order remains in force and the child continues to be engaged in full time education. The definition of full time education used by LBI is as follows:

Full-time education means a course where the average time spent during term time receiving tuition, engaging in practical work or supervised study or taking examinations is more than 12 hours a week and is not:

- advanced (i.e. University) or
- linked to employment or any office held.

It includes normal gaps between courses.

This must be properly verified.

The Director of Child Protection may extend this further beyond the age of 18, to allow a young person to complete the educational course s/he is then undertaking. This is in accordance with the Adoption Support and Special Guardianship Regulations 2005. For example, if a young person’s 18th birthday falls in February, but his course finishes in June of that year, LBI may extend the allowance until June of that year, subject to the required verification that the young person remains in full time education or training. For the sake of parity this will apply to adoption, special guardianship and Child Arrangement order allowances.
Refer to section 9 for financial authorisations by the Director of Child Protection.

3) Where a child commences full time employment

4) Where a child qualifies for income support or job seekers allowance in his/her own right

5) Where circumstances have changed significantly and the criteria are no longer met

6) If a child leaves the home of the adopter, Special Guardian or Person with Child Arrangement Order, and this is regarded as a permanent departure. Temporary absences do not apply, e.g. boarding school, hospital, and respite care.

7) If the child should die.

In all instances where financial support is likely to be withdrawn, recipients must be given 28 days notice in writing. Recipients must make representation within those 28 days as outlined in section 7.2, should they wish to do so.

It is the policy of LB Islington to conduct random ‘spot checks’ to ensure that recipients of allowances remain eligible to receive an allowance (For example, that a child or young person is still living with the recipient).
Reviews of Periodic Allowances

Recipients of periodic allowances must complete and supply the council with an annual statement of their circumstances, for their eligibility and entitlement to be reviewed.

The review will include:

1) An updated financial assessment including verification of income and expenditure.
2) Confirmation from the recipients of their home address and whether or not the child or children continue to live with them.
3) Confirmation of any changes to their own or the child/children's circumstances that could affect their continued eligibility (see cessation of financial support).

See Section 8 for further details.

6. PERMANENCE PLANNING AND FINANCIAL ASSESSMENTS

All forms and any accompanying guidance referred to throughout the remainder of this document will be downloadable from the Children and Families section on the council’s Intranet.

Assessing Adults

It is important that practitioners assessing prospective carers provide them with information about their entitlement to request an assessment for financial support and the process involved, and that this is done as early as possible.

Where a child is already identified in connection with the applicant, the financial assessment of the potential carers must be undertaken without delay. Where an Adoption Placement Report is being prepared for presentation at the Adoption and Permanence Panel the timescales for this, set out in the Adoption Procedures 2006 must be complied with and financial assessments undertaken as a matter of priority so that the outcome can be included in this report.

The social worker responsible for assessing the carer is also responsible for ensuring that the financial assessment is undertaken. Social workers should obtain details of
applicants’ income and expenditure as early in the assessment as possible, in order to avoid delay. The verification of income and expenditure by the finance department can take place at the midway point of the assessment, once it seems more likely that the applicant will proceed to the approval stage.

Social workers should liaise regularly with the relevant Team Administrator Adoption/Family Plus to ensure that the assessment process outlined in section 7 is being progressed within any required time scale. For children who have to be presented to the Adoption and Permanence Panel for plans to be approved, the Panel must be satisfied at the time of hearing the proposed placement, that where an assessment was requested this was undertaken and that the outcome has been agreed by the parties.

All adults, who meet the criteria in section 2, are entitled to be assessed; however they may choose not to be assessed. Where they choose not to be assessed it is important that they are informed that this will not prevent them from requesting a financial assessment in the future, including after an order is made should the need for financial support arise.

There is provision in the Adoption and the Special Guardianship Support Plan Format to record this information.

7. A GUIDE TO THE ASSESSMENT PROCESS

The steps described below have to be followed in the order in which they are presented below.

The only exceptions are fixed payments or requests for legal costs as these can be applied for when the need arises.

7.2 Assessment of the Applicant’s Financial Resources

One-Off Payments

One-off payments can be requested at any time to cover costs associated with a child going to live with a new family. They must be considered essential and without which it would not be possible for a child to live with the family.
The local authority may not consider means in relation to the expenditure costs of introducing a child to his or her new family.

It is the expectation of LB Islington that any periodic allowance would cover the costs of maintaining contact with a child’s birth relatives and friends. However if contact arrangements require the adopter/carer to make exceptionally long journeys (for example overseas) additional funding for maintenance of contact can be agreed by the Adoption or Family Plus manager. Such requests should be made using the Application for One-Off payment form, except where the child does not meet the eligibility criteria outlined in section 2 above, in which case such payments must be agreed by the Director of Child Protection.

A settling-in allowance is not a standard fee; the social worker must provide clarity about what is required and how much this will cost. Redecorating of a bedroom or purchasing some toys are examples of what may be included as part of a settling in cost. Examples of a One-Off Payment request could include the cost of upgrading to a larger car, towards bedroom furniture or towards special equipment.

Applicants will be required to submit receipts to the Team Administrator Adoption/Family Plus within an agreed time scale.

The social worker should submit any request, using the form Application for a One-Off Payment to the Team Administrator Adoption/Family Plus. The Adoption or Family Plus Manager will be able to approve these or pass them to the Operations Manager for Looked after Children for approval. Amounts totalling above £3500 (or single items exceeding £1500) must be presented to the Operations Manager for Looked after Children for approval. Requests should be clearly set out and where appropriate estimates and quotes attached for verification.

One-Off Payments can be applied for in advance of a child being placed, once a child is placed and/or once a child has been made subject to an order, subject to any restrictions set out in section 5.1.

The expectation is that agreement should be sought before any costs are incurred. However, it is recognised that there may be exceptional circumstances, which did not allow for this to happen (e.g. a medical emergency). This needs to be made clear in any retrospective application and any agreement is at the discretion of the Operations
Manager.

Some exceptional circumstances will require authorisation by the Director Child Protection. These are set out in section 9.

**Legal Costs**

Local Authorities must disregard means when it considers financial support in order to assist in meeting any legal costs (including court fees) where this is associated with:

1) The making of an Order
2) The varying or discharging of an Order
3) An application under Section 8 of the children Act 1989 (contact orders, prohibited steps orders, Child Arrangement orders or a specific issues order)
4) An order for financial provision to be made to or for the benefit of the child
5) Future legal costs associated with the order

LB Islington may pay for an initial legal consultation for prospective applicants considering Adoption, Special Guardianship or Child Arrangement orders, up to a maximum cost of £350 or one hour, whichever is the lower.

Local Authorities are not expected to meet the legal costs of initial legal consultation or an application for an order which they oppose in respect of a child they currently or previously looked after or where a child was not looked after. In such cases, families should be advised to seek financial support from the Legal Services Commission (LSC). Information can be obtained via LSCLeaflets@ecgroup.uk.com or fax 020 8867 3225.

LB Islington may pay legal costs if its officers placed the child with the applicant as an alternative to the child becoming Looked After or where in exceptional circumstances the Director of Child Protection considers it appropriate. In these cases an application should be made to the Director of Child Protection using an Exceptional Allowance Application form.

Social workers should obtain written confirmation (email is satisfactory) from the relevant Adoption or Family Plus Team Manager that such fees (up to the agreed amount) will be paid by LBI. A copy must be sent to any allocated child care lawyer. The signed copy must be submitted to the Team Administrator Adoption/ Family Plus for
Periodic Financial Support

All periodic allowances made under Adoption, Special Guardianship or Child Arrangement Orders are based upon the maintenance component of London Borough of Islington fostering allowances. Therefore where several children are placed together, applicants will be assessed for each child individually.

Where it is suggested that an assessment for periodic financial support may be required, the assessing social worker should request that the Team Administrator Adoption/ Family Plus send the relevant application form to the applicant(s). The applicant returns the completed application form, together with the required verification documents, to the Team Administrator Adoption/ Family Plus, who logs them on the assessment database and forwards them to the CSCarer payments@islington.gov.uk mailbox, where they will be dealt with by the Finance Department. Applicants will be advised that the means test will be calculated on the basis that all benefits, to which a family is entitled, are being claimed.

Once the assessment is completed, the Finance department assessor will return the assessment to the Team Administrator Adoption/ Family Plus, who keeps a record of all the assessments undertaken and passes the assessment to the assessing social worker. RESULTS OF NEW FINANCIAL ASSESSMENTS SHOULD NOT BE SENT TO APPLICANTS WITHOUT THE AGREEMENT OF THE RELEVANT ADOPTION OR FAMILY PLUS TEAM MANAGER. This is to ensure that applicants are only notified of financial allowance assessments where the department has agreed to pay an allowance because the child meets the criteria (see Section 5.1)

A means test for the purpose of adoption and special guardianship has been designed by the Department for Children, Schools and Families and the means test used by the London Borough of Islington follows the key principles of that means test, together with the guidance referred to in section 5. The means test will calculate whether the applicant is eligible to receive financial support to meet the needs of the child/ren placed.

The Means Test Model includes the following principles in its application.
Income

1. It is based on disposable income and therefore provides a thorough assessment of the family’s projected income i.e. as if the child were to live with them.

2. It assumes that all benefits entitlements are being claimed for and the Finance department will advise applicant/s where it identifies eligibility to claim benefits.

3. It only takes into account interest from savings and investments

4. It does take into account other regular income, where not employment or benefits related, (e.g. property rental income).

5. It disregards the first 20% of the family’s income before it applies the test.

Expenditure

1. It allows for any approved special needs payment to be calculated as regular family expenditure.

2. It allows for a core regular family expenditure as based on 125% of the current income support allowance per household.

Calculation

1. Disposable income is calculated as the total projected income less the total projected expenditure.

2. This figure is then considered against what the London Borough of Islington have set as their current maximum allowance for a child of the age that is to be placed with the family. These figures are reviewed and set annually by the Director of Child Protection and the Director of Finance.

3. Any deficit/shortfall is what the Local Authority will pay as a periodic allowance, subject to an annual review (see section 8 for reviews).

*It is important to explain to applicants that where they are assessed as being able to meet the financial needs of a child, they will not be entitled to any financial...*
**Outcome of the Means Test**

**Adoption**

Once the financial assessment has been completed and the date when the child is being placed with their prospective adopters is known, the Family Finding social worker should email that date to the Team Administrator Adoption/ Family Plus, who will complete the necessary forms to be authorised by the Operations Manager for Fostering and Adoption.

**Child Arrangement Order (including interim ROs) / Special Guardianship for Children Looked After**

When the order is granted, the child/ren’s social worker should notify the Team Administrator Adoption/ Family Plus, who will complete the necessary forms to be authorised by the Operations Manager for Fostering and Adoption.

**Child Arrangement Orders/ Special Guardianship for non – CLA children**

In these cases the procedure is different, because the agreement of the Director of Child Protection is required. When the order is granted, the child/ren’s social worker completes an Exceptional Financial Support Request and submits it to the Family Plus Team Manager, who completes the relevant section of the form, giving her view as to whether the request meets LB Islington’s criteria for payment (see section 2 above). The Request is then sent to the Director to authorise or not. If authorised, the Request form including the Director’s signature, should be scanned and saved on the applicant’s file and a copy sent to the Finance Department. This provides the necessary decision making audit trail.

**For all periodic allowances:**

On approval, the applicant is then sent the Notice of Proposed Periodic Allowance. This Notice will set out the specific financial package which is being proposed, together with Islington’s terms and conditions attached to the package.
The form Notification of Objection to Proposed Financial Support is also enclosed should the applicant/s wish to make representations.

Applicants must be given 28 days within which to either make any representations or to confirm their agreement to the proposed financial support.

The department cannot make a final decision about allowances until the agreement has been received or any representations have been dealt with.

**Representations**

Representations must be submitted directly to the Operations Manager for Looked after Children and they will be considered under Stage 1 of the Council’s complaint procedure and dealt with in accordance with those time scales. Applicants may choose our standard form “Notification of Objection to Proposed Financial Support” which they would have been provided with already, but if they choose to submit their objection in another format this is equally acceptable.

In order to avoid any delay to a child’s placement representations should be dealt with as quickly as possible; the time scales that follow are a maximum guide.

The Operations Manager must acknowledge receipt of their objection within 3 working days (enclosing a copy of the council’s complaints leaflet) and provide a full response within 10 working days.

The full response will inform the applicant/s of the outcome and where it is not upheld, advise them about their right to pursue the matter further under the council’s complaints procedure.

Applicant/s have 28 days to consider the outcome of Stage 1 and the letter should invite them to reply to us within this time to let us know whether they are now in agreement for us to proceed or whether they wish to take their objection on to Stage 2 of the complaints procedure.

If a case progresses to Stage 2, the matter must be referred to our Children’s Complaints Manager, with a copy of all correspondence to date and he or she will lead the complaints process from that point on.
Where a child is already living with the applicant/s and Stage 2 of the complaints procedure is initiated, the Operations Manager can negotiate the agreed level of payments being started whilst their request for a higher allowance is taken through the complaints procedure. However, the applicant must be clearly informed that only the allowance currently agreed would be payable whilst their complaint is processed and that their commitment to care for the child must not be subject to the outcome of the complaint.

It is therefore not always likely that such an agreement can be reached and in such cases the complaint procedure must be pursued as quickly as possible in order to avoid delay for a child.

If a complaint is upheld, any increase will be added on and backdated to the official start date of the permanent placement.

**Agreement to proceed**

Where the proposal is agreed, the Team Administrator Adoption/ Family Plus will send out the final decision.

The Decision Notice will be similar to the Proposal notice except for the title now being the “Notice of Decision for Periodic Allowance.”

The Team Administrator Adoption/ Family Plus will send this out to the applicant/s with:

- 2 copies of a standard covering letter from the Operations Manager, one copy of which must be signed and returned to confirm agreement.
- 2 copies of the council’s terms and conditions in relation to the provision of financial support, one copy of which also has to be signed and returned by the applicant/s.

On receipt of signed documents, these will be filed by the Team Administrator Adoption/ Family Plus on the applicant/s finance file and the applicant/s social worker informed that agreements are now in place.

On receipt of notification from the social worker that the placement will commence, the Team Administrator Adoption/ Family Plus will

1. Pass the required financial authorisations to the payments officer, who will set up the
payments to commence from the date provided.

Periodic allowances may not start until either:

- Notification of the start date of the placement has been submitted to the Team Administrator Adoption/ Family Plus by the social worker assessing the applicant/s.

Or

- Notification of the date that the placement officially becomes the permanent placement has been submitted to the Team Administrator Adoption/ Family Plus by the social worker assessing the applicant/s (e.g. where a current foster carer becomes an adopter or Special Guardian).

2. The Team Administrator Adoption/ Family Plus will copy the above notification to the relevant social worker in the fostering service to ensure that any fostering allowance in respect of the child/ren stops or becomes an adoption or SG allowance from the correct date. This ensures accurate financial reconciliation between budgets.

3. The Team Administrator Adoption/ Family Plus will place a copy of this notification on the applicant’s finance file.

The Team Administrator Adoption/ Family Plus will log a review reminder to commence 10 months from the start of the periodic allowance.

7.3 **Transitional Payments for Foster Carers**

Legislation and Guidance allows the Local Authority to make payments to children’s current foster carers who are adopting a child or becoming that child’s special guardian. For the purpose of equity, this will also apply to Child Arrangement Orders although this is rarely a route to permanence for children who have been living with foster carers.

This is in recognition of the fact that by doing so, they will no longer be paid as a professional carer for that child, which will incur a loss of income that may need to be compensated for over an agreed period of time. Guidance refers to this as “remuneration”.

The guidance states that a Local Authority may make such payments for a period of up
to 2 years from the making of an Adoption, Special Guardianship or Child Arrangement Order and thereafter this is at the discretion of the Local Authority.

Foster Carers are **not exempt** from a financial assessment for a periodic allowance and they must undertake this before we can consider a request for transitional payments. Foster carers will, like all other recipients of allowances, be required to comply with an annual financial review of their allowance.

The maximum transitional payment will be the difference between what they are currently paid directly by the Local Authority or Independent Fostering Agency per week, minus Child Benefit and Child Tax Credit.

Social Workers assessing applicants who are foster carers must seek advice about the particular carer's circumstances from the relevant Adoption or Family Plus Team Manager *before* discussing possible financial packages with applicants. This is to ensure that applicants receive accurate information upon which to base any decision to proceed with an adoption or Special Guardianship order. Social workers should then discuss the proposed financial package with the applicant. The proposed financial package should be clearly set out in the applicant's Adoption or Special Guardianship Support Plan, which must be shared with the applicant before the match is considered at the relevant Adoption or Children's Placement Panel.

The proposed financial package, including any transitional payments must be submitted by the social worker to the Team Administrator Adoption/ Family Plus using the Exceptional Financial Support Request form, who will present it to the Operations Manager for Looked after Children. If agreed, it will be included in any proposed package of financial support as outlined in section 7.2 above.

Where negotiations with foster carers require an “in principle” agreement that we will pay the transitional payments beyond the initial 2 years, this must be approved by the Director of Child Protection and will only be agreed in exceptional circumstances – refer to Section 9 for details.

*Please note that the London Borough of Islington will not make transitional payments where the foster carer was a member of a child's family and only approved in relation to that child. The purpose of the provision in this section is to compensate for the relinquishment of fees that would be payable to a foster carer who was fully assessed and trained as a foster carer for a range of children.*
8. REVIEWS OF PERIODIC FINANCIAL SUPPORT

Time scales and documentation required

The provision of financial support by way of a periodic allowance must be reviewed annually. Reviews should start 10 months after the last review to allow sufficient time for its completion.

A change in circumstances between review periods can prompt an early review at the request of a recipient or at the instigation of the council itself, where it is made aware of such a change.

Where the council instigates an early review, the recipient/s will be informed fully of the reason(s) why this is being undertaken early.

Recipients of periodic allowances will be sent the following documents in order to initiate the review process:

1) A standard covering letter to inform them of the process
2) A review form: Annual Review of Financial Support
3) A declaration form: Annual Declaration of Continued Entitlement, which asks for confirmation that the criteria for the provision of periodic financial support continue to be met.

Recipients will be required to submit evidence of their income and expenditure to the finance department for verification.

Recipients must be given 28 days to return any documentation. If they do not return the documentation within this time they must be sent a reminder letter with a warning that failure to supply the information within a further 28 days will result in payments being terminated.

Where payments are terminated they can only be restarted as a result of a completely new application having been processed. This does not apply to Child Arrangement Orders due to the restrictions set out in section 5.1 and if they cease can only be reconsidered under section 17 of the Children Act 1989.
Process

Upon receipt of the review documentation the Financial Support Officer will check that the criteria for continued entitlement are met and forward the review documentation to the finance department to conduct the means test. This will be done using the same method as is used for new applications.

Review outcome requires no change

Confirmation is sent to the recipients that payments have been agreed for a further 12 months.

Review outcome requires a change

This will be processed as if the assessment was undertaken afresh using the guidance outlined in section 7 and therefore a new proposal will be sent out to the recipients. The procedure for recipients to appeal any change in the allowance is the same as in section 7 ‘Representations’ above.

9. DIRECTOR OF CHILD PROTECTION AUTHORISATIONS

9.1 Introduction

There are certain circumstances where the decision to provide financial support can only be made by the Director of Child Protection. These are detailed in section 9.2. Requests for exceptional allowances must be made using the ‘Exceptional Allowance Request Form’ and must be passed from the social worker to the Adoption Manager or Family Plus Manager, who in discussion with the Operations Manager for Adoption and Fostering will come to a view as to whether the case meets the criteria for referral to the Director of Child Protection—see section 9.2 below.

9.2 Criteria and Guidance regarding Exceptional Circumstances

When considering an application the Director of Child Protection must be satisfied that the applicant meets the criteria for financial support and that any grounds are met. S/he must therefore be satisfied that s/he is not agreeing to provide financial support that
could be provided by other means whether by the council or by another agency (e.g. Department for Work and Pensions).

The application must provide evidence that the request is made in the best interests of the child or children concerned and the length of time the proposed payments would continue. Conditions must be attached to any payments agreed, which are likely to include how money is to be spent over what length of time and any receipts or other verification required.

The Director of Child Protection will want to see a copy of the applicant’s most recently completed financial assessment or review assessment.

The following situations are examples of situations that require referral for authorisation by the Assistant Director. This list is not exhaustive and there may be other situations that constitute exceptional circumstances:

1. **Application for extension of a periodic allowance after a child has reached the age of 18 (refer to section 7.2)**

   This applies where a child continues to be engaged in full time education beyond the age of 18 and the circumstances are such that without financial support, he or she will not be able to continue his or her studies. In accordance with the Adoption Support Regulations and Special Guardianship Support Regulations 2005, the Director of Child Protection may agree to continue a periodic allowance to allow a young person who reaches the age of 18 to complete the course of full time study that s/he is then undertaking. See Section 5.2 above.

   Documentary evidence of the course of study and a recent financial assessment of the applicant's means will be required.

2. **Application for the extension of transitional allowances beyond the 2 year period (refer to section 7.3)**

   Transitional payments are awarded in recognition of the fact that where a foster carer chooses to care for a child permanently, he or she is relinquishing their professional fee as a foster carer. Legislation allows for Local Authorities to consider extending those fees for a period of up to 2 years after the child ceases to be looked after.

   There is provision in the regulations that allows a Local Authority to use its discretion in
order to extend this period in exceptional circumstances. The circumstances must clearly argue that without this extension, the stability of the placement for the child would be jeopardised and that therefore the decision to continue payments is in order to promote the child’s welfare in the longer term.

Examples might be foster carers choosing to continue to care permanently for a child or sibling group, for whom it might otherwise be difficult to find a permanent family, which can be evidenced through family finding activities to date.

3. Application for financial support to compensate for a financial loss.

This might apply where a social worker believes that the Council should consider making a payment to a carer to compensate for a financial loss incurred as a result of their commitment to care for a child permanently. This is not the same as a transitional payment under section 7.3.

An example might be where the needs of a child are so complex that a carer has to give up work in order to safeguard the stability of the placement for the child. These are likely to be unexpected circumstances which were not evident whilst a placement for the child was being sought or planned for. Another example might be where we are asking an existing carer to take another sibling and this would require them to give up work for a period of time.

The Director of Child Protection will want to be satisfied that:

- The loss incurred is directly associated with the child’s needs.
- It is not as a result of the applicant choosing to care for a child permanently, in which case it should have been considered as part of the approval and matching process.
- It does not duplicate the ability to provide financial support by way of transitional payments for foster carers or fixed payments generally.
- To do so, would be in the best interests of the child.

Where agreement is made to offer compensation for a financial loss, the amount of any compensation can only be determined on a case by case basis and it is important to
recognise that the council may not be able to compensate for the full amount of any financial loss incurred.

The decision regarding agreement or otherwise to an exceptional allowance must be recorded in writing and signed by the Director of Child Protection on the Exceptional Application Request Form. This is in order to provide a robust financial audit trail of such decisions. Applicants must be notified of the Director of Child Protection’s decision in writing and be advised that they have the right to make representation to the overall Director of Children’s Social Care, providing they do so within 28 days of receipt of the letter. Representations received by the Director of Children’s Social Care in this context will be dealt with under the Council’s complaint procedures (stage 1).