

## Section 5– Payment and Financial Support

### Fostering Allowances

West Berkshire Council has introduced a simpler model of allowances for foster parents, which is both more equitable between foster parents and more straightforward to administer. These allowances have been constructed from figures produced annually by Government recommended rates. It recognises that all foster parents should receive the same level of financial support to care for a child and to this end all foster parents receive a maintenance allowance based on the Government recommended rates.

It is also recognised that there is a need to recruit foster parents from within the general economy and that there is competition from other agencies to attract foster parents. To this end West Berkshire Council provides a fee over and above the recommended maintenance allowance in order to attract foster parents to this authority and to cover some of the tasks associated with caring for Children and Young People in Care:

- ❖ Provide placements for children and young people who become Looked After
- ❖ Provide placements on demand
- ❖ Contribute to assessments for court
- ❖ Attend court as witnesses
- ❖ Undertake direct work with children and young people in placement

- ❖ Undertake initial training
- ❖ Parents will be paid in four age bands:

0 - 4 years; 5 - 10 years; 11 - 15 years and 16 years and over

Children who reach the age of 18 are no longer fostered and arrangements for continued payments beyond 18 must be made with the appropriate social work team.

The rates will be as follows:

Age (years)	Weekly maintenance rate £	Additional fee element £	Total £
0 - 4	158.86	78.66	242.80
5 - 10	178.86	89.34	275.53
11 - 15	222.45	166.84	396.79
16 +	270.55	135.28	413.33

The above rates are for 56 weeks per year and include allowance for holidays, birthday and festival gifts within the main allowances.

***What the allowances include:***

- ❖ Food including school dinner money

- ❖ Clothing and shoes including special occasion clothing (it is expected that clothing is routinely replaced from within weekly allowances)
- ❖ Replacement school clothing
- ❖ Nappies, milk and all other baby essentials
- ❖ Self-care: to include the likes of shampoo and other hair care, dental hygiene, toiletries including deodorant and sanitary care
- ❖ Pocket money.
- ❖ Spectacles/contact lenses
- ❖ Toys, games, books and school equipment
- ❖ All sporting activities including transport and specific clothing needed for the activity
- ❖ Hobbies - music, dance and sport, including subscriptions to youth organisations including transport
- ❖ After school clubs including transport
- ❖ Treats and outings including school trips
- ❖ Presents (as appropriate) for relatives and friends
- ❖ Gift for Christmas, Birthdays and any other occasion
- ❖ Transport to and from contact

- ❖ Travel to attend meetings, medical appointments etc up to a maximum of 84 miles per child in any one week - mileage claimed is paid at 50p per mile. **Where foster parents do not drive or have access to a car, the weekly financial equivalent of this amount £42 should be used to cover the cost of public transport or taxis for parents and/or young people to attend meetings, medical appointments, etc;** only if weekly transport costs are in excess of this can foster parents claim for these expenses - receipts will be needed to claim back additional costs
- ❖ Playgroup or nursery fees
- ❖ Household costs including additional fuel, breakage of small items in daily use, wear and tear of furniture, furnishings and electrical durables
- ❖ Baby/child sitters (except 4 hours per month covered by the Child Sitter Allowance)
- ❖ Expenses incurred in maintaining contact with child/young person's family and friends
- ❖ Hospitality costs

## Notes

Parents should expect their payment to reach their bank account fortnightly on a Tuesday. Occasionally delays in notifying changes relating to moves of children/young people will occur and this could result in an overpayment. All foster parents receive a remittance slip and payslip and should check each slip to ensure that the right monies have been paid. If an overpayment occurs Foster parents

are required either to send a cheque back or discuss repayment terms with their supervising social worker. All overpayments will be reclaimed or deducted against future payments.

Young people not in full time education (but who have completed full time compulsory education) are expected to contribute to their upkeep and the foster parents allowances will be reduced by an element to take account of this. The exact amount will be assessed according to the young person's individual circumstances.

Where Disabled Living Allowance or other benefits are payable, parents will be assisted to claim these in consultation and agreement with the social worker for the young person. Such benefits will be retained by the carer or the child/young person in addition to the fostering allowances. Where allowances such as DLA are claimed by the carer for the needs of the young person, **the carer must keep records as to how the allowance has been spent.** Ideally the allowance should be paid into an account for the child and transferred with the child when/if they move on.

***Pocket money and clothing money allowance within carer's weekly maintenance allowance***

Foster parents have an important role in educating children and young people in the responsible use of money. This is particularly important for older children and young people preparing for independence. In addition disagreements can easily arise concerning the amounts of money to be given to children and young people and the way that this money is to be spent. It is therefore important to discuss this fully in the placement planning meeting and to regularly review what has been

agreed. Ideally young people should be provided with a weekly allowance (dependent upon age) to spend at their discretion or if appropriate to spend with the support of their foster carer. The following table provides a guide as to levels of pocket money and clothing and can be discussed more fully at the placement planning meeting.

Age	Maintenance rate £	Pocket money £	Clothing money £	Total of allowances to directly spend on the child £
0 - 4	158.86	2.50	15.50	18.00
5 - 10	178.69	5.00	15.50	20.50
11 - 15	222.45	10.00	20.00	30.00
16 +	270.55	15.00	20.00	35.00

NB: if a child is moved as a result of an allegation being against a foster carer, the maintenance part of the allowance will continue to be paid (less direct costs for looked after child) until the conclusion of the Section 47 enquiry is concluded.

If a foster carer is asked to put a placement on hold, i.e. is not able to take another placement until the resolution of the Section 47 enquiry then the again the

maintenance part of the allowance will continue to be paid (less direct costs for the looked after child).

### ***Emergency placement***

There are times when children and young people are placed in an emergency with the foster carer. These placements can last for a few hours up to a few weeks. It is anticipated that the foster carer will provide the children or young person with essentials including toothbrush, toothpaste, underwear, nightwear and a few items of clothing suitable to the weather. If parents need to purchase clothing, they should check with the Family Placement Team before purchasing. Receipts for clothing should be kept and given to your SSW so reimbursement can be given.

### ***Additional payments***

**Training** – To support foster parents' professional development mileage and car parking expenses will be reimbursed when parents attend training.

**Breaks in Placement** - When a break in care is required or necessary the child's current/regular foster parents will continue to be paid for the first three days following the child moving to another carer. Payment will then cease until the child returns to their care.

**Retainers** - Payable in special circumstances only. To be considered on an individual basis.

**Travel to and from school** – foster parents can claim for mileage when taking looked after children to and from school. Mileage will be paid at 50p per mile.

### *Special/additional payments*

Agreement to payment of additional costs must always be sought prior to monies being spent.

*The following are all discretionary and can be agreed only by the Family Placement Team Manager following discussion with the child/young person's social worker and/or the family placement supervising social worker. Account will be taken of the above figures.*

**Initial clothing and footwear** - Where a child or young person arrives with insufficient clothing and footwear to adequately meet basic needs. Receipts of purchases will be required.

**School uniform allowance** – This can be considered at the time of transfer to secondary school or where a change of school necessitates the purchase of a new uniform. Receipts of purchases will be required.

**Exceptional costs at the start of a placement** - It is recognised that in certain circumstances foster parents may incur high unanticipated costs at the start of a placement eg taking a child away on holiday very soon after the start of a placement. In such circumstances a monetary advance can be made to assist the carer, which would then be repayable over subsequent weeks as agreed between the foster carer and the department.

**Holiday grants** - It is anticipated that the costs of most holidays (both foster family and school) will be budgeted for by foster parents within the fostering allowances.



However in exceptional circumstances additional payments may be made at the discretion of the Family Placement Team Manager.

**Expenses associated with intensive introductions or rehabilitation programmes -**

A grant to cover expenses can be made at the discretion of the Family Placement Team Manager.

**Fostering Plus Payments Criteria**

Fostering Plus is an enhanced fostering allowance paid at the discretion of the Fostering Service and agreed by the Accommodation and Resource Panel in recognition of the exceptional needs of certain very hard to place children and young people.

It will be paid at the following rates

- ❖ For children aged 0 to 10 years Fostering Plus current rate is paid at £422.34 per week per child.
- ❖ For children aged 11 to 15 years Fostering Plus current rate is paid at £523.93 per child per week.
- ❖ For children aged 16 to 18 years Fostering Plus current rate is paid at £635.58 per child per week.

Examples of the circumstances in which payment of Fostering Plus may be considered are

- ❖ Disabled children and young people with exceptionally high dependency needs.
- ❖ Children and young people with very complex needs who present with very challenging behaviour.
- ❖ Children and young people with very challenging behaviour where it is essential that a carer is not employed outside the home and is available at all times to respond to unplanned developments such as school exclusions.
- ❖ Placement of hard to place young people returning to West Berkshire from out of area placements.

Fostering plus will only be considered for full time placements in recognition of the parents full time commitment to the child and having to care for them 24 hours a day seven days a week. Every case will be individually assessed according to circumstances and need. The above list is not intended to be exhaustive.

Foster parents who feel they meet the criteria for fostering plus should initially discuss this with the Supervising Social Worker. If following this discussion they support your application for an enhanced payment then a report is completed by them and submitted to the Accommodation and Resource Panel. This report will detail the challenges and the difficulties presented by the child and the demand this places on the foster parents and their family. The foster carer will then be informed in writing of the decision.

The respite foster parents for children subject to fostering plus rate will receive the equivalent rate whilst the child is in their care.

## Equipment

If you are asked to make any purchases, costs need to be agreed in advance and receipts given to your supervising social worker.

Sometimes, foster parents prefer to use items of equipment which they already have (cot, pram, linen, bedroom furniture, etc) and there is no reason why this should not be so.

**NB** For every new baby placement the baby should have a new cot mattress. It is also advised that foster parents should not purchase second hand car seats. If you need help with the cost incurred for car seats, please discuss with your SSW in the first instance.

## Clothing

Clothes are part of children's personality and individuality and are usually very important to them, particularly if they have few possessions of their own. Any clothing bought for them should be considered as theirs and they should usually keep it if they leave your home. They may only be with you for a short time and it would obviously be distressing for some parents if their children returned home with new wardrobes and hairstyles which they are probably unable to provide themselves, so in these situations parents should be involved in decisions about buying clothes wherever possible.

If children are placed with you on a short term basis, buying clothes to start with can be done by agreement with your supervising social worker, although it is hoped that children will bring their own clothing with them wherever possible. If it

has not been possible to obtain their clothing and toys when they left home, ask the child's social worker to pursue this for you, as children find great comfort in having their personal possessions with them when living away from home.

Sometimes children enter foster care with very few possessions of their own, and it is important that foster parents help them to begin to build up their own feelings of identity, which can be enhanced by personal possessions. It is of no particular value to load children with possessions immediately they enter your home, but you may feel that one or two personal items may give them the pleasure of ownership and perhaps make them feel similarly treated to other members of the family. Sometimes children may need particular equipment to help them to gain certain skills.

It may be important for their self-worth that children are at least initially allowed to wear their own clothes, even if they are poorly fitting or well worn. All their original items of clothing should be laundered, kept and returned to them when they leave the foster home. Whenever a child moves either to return home or to a new placement their clothing should **always** be packed in suitable bags and **never in plastic bags/sacks**. Foster parents should ensure they have a few spare bags or suitcases just in case a child or young person leaves the home unexpected or in an emergency.

It is important that at the time of placement children bring with them as many of their own things as possible. Try to value their own things and try to buy new things as gradually as possible if they come to you with very little - they may feel overwhelmed and that their own things are not good enough. You may need to discuss a clothing grant with the social worker at the time of placement, or when the child starts a new school.

## Holidays

### *Long-Term Placements*

Long-term foster parents will usually want to include their foster child when planning the family holiday. Before starting the holiday plans, you should notify the child's social worker of the dates when you will be away, and also tell him/her the holiday address so that Children and Families Service always knows the whereabouts of the child.

Occasionally the child's own parents may have some reason for not wishing their child to go on holiday with the foster family. The parents' wishes will need to be taken into consideration. On other occasions teenagers may not wish to go on the family holiday. Discuss this with your supervising social worker or the child's social worker, as early as possible, so that alternative arrangements can be considered. When a family is caring for very emotionally disturbed youngsters it may be necessary to have a planned break without them. Again, discuss this with your supervising social worker or the child's social worker in good time.

### *Short-Term Placements*

Where possible a child placed on a temporary basis should be included in the family holiday, but this must be discussed with the child's social worker before you make any arrangements. You will also need to notify the child's social worker of the temporary change of address.

Sometimes, however, it may not be convenient for a child placed on a temporary basis to share the family holiday, particularly when arrangements were made

before the child was placed. If you can avoid it, do not accept the placement of a child when your holiday is near. This will save upsetting the child by a sudden move. If you know well in advance when you are going to be on holiday, please let us know. It will help the Department as we are always short of foster placements during the height of the holiday season.

### *Holidays Abroad*

If you decide to take a holiday abroad and want to take your foster child with you, please discuss this with the child's social worker. A foster child must not be taken out of this country without the permission of the Children and Families services and/or the child's parents. Responsibility for obtaining passports and other travel documents rests with the Department and your plans need to be discussed with the child's social worker well in advance, as the documents in question can take months to arrive.

The department advises foster parents not to book holidays abroad until a child or young person has a passport. In the unlikely event the passport does not arrive on time, the department accepts no responsibility for lost monies.

If possible, a child or Young Person in care should have their own bedroom whilst on holiday. However, the department recognises this is not always possible. Please discuss the sleeping arrangement for any holiday with your SSW before booking.

Holidays should be funded from the fostering allowance.

## *Holidays and Education*

Please see the education section.

## **Income Tax and National Insurance Contributions**

**Please note, staff within the department are not qualified to give out Benefits advice. If you would like advice on Benefits or Tax, please contact FosterTalk or FosterLine. The following information is taken from the government website.**

Foster parents have self-employed status for income tax purposes and are responsible for making declarations to this effect to the Inland Revenue. New tax relief rules were introduced from 6th April 2003. Many UK foster parents will now pay no tax on their income from fostering. Legislation is set out in the Finance Act 2003.

The tax relief consists of two elements:

Foster parents are exempt from tax on the first £10,000 per year of their fostering income.

In addition, foster parents enjoy further tax relief for every week (or part week) that a child is fostered with them. For every week that a child aged eleven or older is in placement, the foster carer's tax relief increases by £250. For every week that a child aged ten or younger is in placement, the carer's tax relief increases by £200.

For example:

If a carer has one eleven year old fostered child for the whole year they would not have to pay any tax on their income from fostering unless the total went over £23,000. If during that same year the carer also fostered one child aged eight years for ten weeks, their tax limit would rise to £25,000.

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

The simplest way is to declare as 'profit' the whole amount by which their total income from fostering exceeds the tax relief limits described above.

The alternative way is to have their 'profit' calculated under the normal rules for self-employed people. This method requires the carer to keep detailed records and receipts in order that they can submit their accounts to the Inland Revenue at the end of the tax year.

We strongly recommend that foster parents seek advice from an accountant in relation to their income tax affairs from an early stage in their fostering career. Further advice can also be found on the Inland Revenue Website under "Foster Care Relief". Alternatively, you could seek advice at your local Inland Revenue office or from the free advice line, Fosterline, tel: **0800 040 7675**.

### ***National Insurance contributions***

Foster parents are classified as self employed. All self employed people aged 16 and over who are below State Pension age are liable and must register to pay Class 2 National Insurance Contributions, unless they are able to claim a Small Earnings Exemption. Please seek advice from an accountant. Alternatively, you



could seek advice at your local Inland Revenue office or from the free advice line, Fosterline, tel: 0800 040 7675.

### ***Class 4 National Insurance Contributions***

All self-employed people are liable to pay Class 4 National Insurance contributions on taxable profits above a threshold.

See Inland Revenue Guidance on foster care relief for further guidance. You can obtain free advice from Fosterline tel: **0800 040 7675**.

### **Insurance for Foster parents**

It is important to ensure you are properly covered by your household, buildings and car Insurance policies when you are fostering and to inform yourself fully of all the details of your policies.

During your assessment to become a foster carer, insurance will be discussed and, when you are approved as a foster carer, you should inform all your insurers in writing that you are fostering. Advise them the likely number of children you may be looking after and the fact that these children will be regarded as members of your family whilst they are with you.

You may need to talk to your family placement social worker about the need to pass on specific information about a particular child, for example, if that child has been convicted of arson or theft.

In situations where damage has been caused by a foster child, the parents should first apply to their own insurers regarding replacement (Note: Some policies do

not provide cover for accidental/malicious damage or theft arising from one's own children - and therefore foster children - in the home). Some policies incorporate an excess whereby the householder pays the first part of the claim. The Department may be able to offer assistance with this in individual cases of particular difficulty.

If it is not possible to claim under the policy, the carer needs to talk to their Family Placement Social Worker, who may be able to complete a claim form which requests that the department helps towards the costs of replacement/repair. In these circumstances the carer needs to obtain 3 estimates for cost of replacement/repair. The decision as to whether the Department meets these costs rests with the Family Placement Team Manager.

The Local Authority has public liability insurance in respect of the fostering of children in the Local Authority's care. This policy only operates to cover foster parents in so far as their own personal liability insurance is inadequate.

The Local Authority policy will indemnify foster parents against all damages, legal costs and expenses for which they become legally liable arising out of accidental death, bodily injury or illness of a foster child and accidental death, bodily injury, illness or damage to a third party caused or contributed to by a foster child. For a foster carer to be legally liable, the claimant has to prove that they were negligent in causing the injury, illness or damage.

## **Deliberate damage to property and possessions**

The Family Placement Team will reimburse foster parents for deliberate damage to their property and possessions to the value of £500.00 if it is deemed to be criminal damage by the child or young person.

The Fostering Service's approach to foster carer is to minimise the need for police involvement to deal with challenging behaviour and avoid criminalising the child or young person unnecessarily.

If a child or young person has caused deliberate damage to your property or possessions you should inform your supervising social worker as soon as possible. It may also be appropriate to complete an Incident Notification Form.

In these circumstances it is important to consider each case individually and the situation and background of the young person concerned and any plan for the child to replace or repair items should be discussed with your supervising social worker and the child's social worker.

There may be times when it is appropriate for a child or young person to be supported in repairing damage they have caused or contributing towards the cost of replacing damaged items, much in the same way that they would in an ordinary family. This can be more challenging sometimes, but your social worker can ask the Youth Offending Team to help the child or young person accept responsibility for their actions and agree to repair the harm - often found to be more beneficial to the person harmed and the young person.

However, there may be times where it is more appropriate for you to claim on your home or car insurance.

It is therefore vitally important that all foster parents inform their home and car insurers of their fostering commitments.

Please consult your Social Worker before involving the Police, unless it is a real emergency and you have concerns for you, your family, and the looked after young person or others. A criminal record can seriously damage a young person's later life chances in many different ways, so please try to work with us to prevent this from happening.