



## **Guidance on Allowances and Payments for Children in Foster Care**

This guidance is for all foster carers and staff and concerns payments and allowances for children in foster care.

Additional supplementary information is available for specialist foster carers in the Specialist Foster Carers Procedure which should be read in conjunction with this guidance. Separate guidance on Adoption Allowance is available from the Reparative Care Team on request.

### **Related Procedures**

*Payment for Skills Procedure*

*Specialist Foster Placement Procedure*

*Parent and Child Procedure*

*Staying Put Procedure*

*Supported Lodgings Procedure*

### **Contents**

- 1. Introduction**
- 2. Administration of allowances**
- 3. What the fostering allowance covers**
- 4. Discretionary payments and other payments**
- 5. Payment for skills**
- 6. Children matched for adoption with previous foster carers**
- 7. Holiday and short break arrangements**
- 8. Staying Put and Supported Lodgings**
- 9. Parent and Child Placements**
- 10. Tax**
- 11. Family Allowance**

## **12.Social Security Stamp**

## **13.Termination of allowances and leaving care**

### **1.Introduction**

The aim of this document is to provide information that covers allowances, fees and other payments provided to foster carers to help toward covering the costs involved in caring for children and young people placed with them together with detailed guidance on their application.

The Committee for Health and Social Care (HSC) operates a 4 level Payment for Skills model. Payments to foster carers are made up of two main elements; a *fostering allowance* paid according to the age of the child placed, and a *household skills payment* which is paid according to the skill level the carer operates on.

The fostering allowance is intended to cover the routine day to day care costs of looking after a child in foster care. The amount of the fostering allowance is child age related and is calculated on a weekly basis, with sevenths being paid for part weeks. When a child becomes an age where the fostering allowance increases, this will take effect from the date of the child's birthday.

### **Authority to make payments**

Payments to foster carers can only be made where they have been formally recommended for approval via the Fostering Panel and their approval has been ratified by the Agency Decision Maker and sent to the Finance Officer.

### **2.Administration of allowances**

Fostering rates run for a period from 1st January – 31st December. Any increase in rate allowances is informed by the preceding June Retail Prices Index excluding Mortgage Interest Payments (RPIX). All rate allowance increases are subject to broader review and are not confirmed until the final quarter of the preceding year.

Information regarding the rate of allowance to be paid is sent out to foster carers on an annual basis by the Administration Team.

Foster carers are provided with clear guidance on the actions they need to take to enable payments to be made to them in their letter of approval. This includes the process of being set up as a vendor, the requirement to obtain a specific tax coding and what to do if bank accounts change.

The fostering allowance is paid to foster carers in respect of each child placed with them by HSC. The fostering allowance is always paid monthly in arrears. Payments are made on the last Friday of the month, except in December when payment is made on the Friday prior to Christmas.

Foster carers receive a monthly remittance from the Finance Office together with a monthly remittance from SAP. The Supervising Social Worker (SSW) will provide short break carers with the ID numbers generated by the payments system which correspond to each child they provide short breaks for and this will enable short break carers to obtain a clear breakdown of payments made to them. Foster carers also receive a final remittance in December or January each year providing the gross annual skill payment and the tax paid per annum on the skill payment.

The Fostering Network circulates information to all Local Authorities on the minimum allowances that would be needed to meet the costs of caring for the different ages of children in care. The Fostering Network also recommends a percentage of the cost breakdown of the weekly allowance which foster carers may spend on a particular category. Please refer to the Fostering Network for up-to-date information. This is used for guidance only.

### **Responsibility of the Supervising Social Worker (SSW)**

The SSW is responsible for notifying the Finance Officer as soon as a placement is made, a placement ends, or a child moves to another foster carer. The SSW will ensure the necessary movement form is completed in a timely manner for all placements to ensure that carers have the money to look after children on behalf of HSC. The SSW will have regard to the payroll dates and timeframes for notification to the Finance Officer for the administration of movement forms. The SSW will ensure that they advise the Finance Officer via email of any planned endings of placements in advance, and that movement forms are completed prior to the planned end of all placements to avoid overpayment to

foster carers which would then necessitate carers reimbursing HSC for the sum overpaid.

Should there be occasions where carers are overpaid, for example, where placements end suddenly or where there are changes to plans, the Finance Officer will advise the SSW of this and the SSW will contact the foster carer to discuss options for reimbursement which include repayment from the next placement if this is to be made in the near future, repayment in full or by instalment.

The SSW will provide advice and consultation to the foster carer regarding the use of allowances to meet the needs of any child placed with them. It is the responsibility of the SSW to monitor that the carer is spending the allowance appropriately. It is also the responsibility of the SSW to notify the Finance Officer of any additional payments due to the carer.

### **Responsibilities of the Foster Carer**

The foster carer must notify their SSW immediately if payments continue after a placement has ended. The foster carer must then make arrangements to repay any overpayment amount with the Finance Officer following consultation with the SSW as outlined above. If there are no continuing payments due to the foster carer, from which an overpayment could be deducted or recouped, the foster carer must make alternative suitable arrangements to ensure the amount is repaid in full.

It is the responsibility of the foster carer to budget for the child's needs and to exercise their discretion in making day to day decisions about expenditure. The foster carer will consult with other parties, namely the child, their parents, child's social worker (CSW) and the SSW with regards to expenditure. This consultation will take place at the placement planning meeting and will be reviewed on a regular basis based on the individual child's needs and care plan.

It is the responsibility of the foster carer to use the fostering allowance to make adequate provision for events, activities, and occasions in the life of the child as outlined in *section 3 What the fostering allowance covers*.

The Family Placement Service (FPS) will provide foster carers with instructions on the actions they need to take to arrange for the appropriate accounts to be set up for payment to be made to them following approval and it is the

responsibility of foster carers to ensure that they follow the instructions given to arrange this. BACS is the favoured method of payments.

Foster carers must also communicate any change to their payment details as advised.

### **3. What the fostering allowance covers**

The allowance is payable for each individual child placed and is based on the child's age and in accordance with the costs of caring for a foster child within a family and meeting their day-to-day needs. The allowance provides an amount that a carer can spend to make sure that the child's needs are met.

There is an expectation that carers will budget and manage their allowance as they do for their own families.

Expenditure covered by the fostering allowance includes the following, but this list is not exhaustive

- Food costs including any special dietary requirements
- School dinner/lunch money
- Suitable and sufficient clothing and footwear (foster carers must ensure when children move that they have suitable and sufficient clothing to take with them)
- Replacing school uniform
- Organisational/clubs clothing or uniform e.g., Cubs, Brownies, Majorettes, Dance, Football etc
- Nappies/ baby costs
- Personal self-care items
- Education material costs and school costs/activities
- Cost of transporting children to attend school/ activities/ meetings/ contact with family etc
- Pocket money and savings for children in care – please see separate *Pocket Money and Savings Procedure*
- Toys, books, games
- Children's holidays with the foster family
- Birthday parties and presents
- Presents for child/young person's friends
- Christmas presents
- Leisure / daytrips / hobbies/ activities/ entertainment costs
- Subscriptions to magazines, comics or clubs

- Holiday activities (some holiday clubs may be subsidised for children in care so please speak to your SSW)
- Child sitting costs.
- Mobile phone top up
- Household costs: utilities e.g., additional gas / electric / washing
- Household wear and tear e.g., furniture / carpets / household items
- Replacement equipment – bedding, bed sheets, towels
- Luggage costs associated with children's moves. It is not acceptable to transport a child's belongs in plastic bags. Foster carers moving a child on should always ensure a suitcase or holdall is provided for them.

#### **4. Discretionary payments and other payments**

Additional discretionary payments will made in certain circumstances.

Any application for additional funding for a child should be agreed in advance by the relevant Team Manager and an Additional Funding Form should be completed by the CSW or the SSW as appropriate according to which team is responsible for payment and this must be signed off by the relevant Team Manager. Any reimbursement to carers must be accompanied by proof of purchase via receipt and agreement must be given in advance regarding the amount. The SSW or CSW will send the relevant documentation to the Finance Department.

The following can be claimed following agreement:

##### **From Family Placement Service via Supervising Social Worker**

- ***Initial Clothing Allowance***

Where children arrive in the foster family with insufficient clothing and these cannot be obtained from birth family by the CSW or, where clothing is of poor quality or fit, Family Placement Service (FPS) will meet the cost for initial clothing allowance including school uniform and shoes. Agreement must be sought in advance from the Team Manager via the SSW regarding the amount to be spent.

Ongoing costs of clothing are then met from the fostering allowance. Clothing for children in care must be sufficient for their needs and of suitable quality and fit. Whenever a child moves home or to a new foster family the current foster carer must ensure the child moves with appropriate and sufficient clothing and that their belongings are transported sensitively in suitcases and holdalls.

- ***Setting up costs***

Where foster carers require furniture in order to foster setting up costs will be considered by FPS. These must be agreed in advance. Equipment for the care of babies and toddlers such as cots, buggies, prams, car seats and high chairs will be provided by FPS. Equipment, furniture and setting up items remain the property of FPS and will be returned to FPS or remain with the child or young person (if appropriate) at the end of placement or when a foster carer retires from fostering or is no longer active as a foster carer.

- ***School trips and trips away associated with sport and recreation***

FPS will pay for educational trips for children in care and for sporting or recreational trips where children are involved in team events or other events outside of the Bailiwick of Guernsey.

- ***Membership of The Fostering Network***

FPS pays for all registered foster carers to have foster carer membership of The Fostering Network.

- ***Discovery Pass***

Discovery Passes are provided to foster carers to enable them to have free access to museums with children in their care.

**From Child's Social Work Team ( Child Safeguarding Team or Child in Care Team) via Child's Social Worker**

- ***Passports***

Passports for children in care will be actioned and paid for by the child's social worker with consent from birth parent. This is to enable foster carers to take children on holiday with them and to avoid moves for children to alternative foster families. Consent will be sought at the earliest opportunity during the placement planning meeting following children coming into care and, if consent is not provided, this will be kept under review by the CSW and actioned as soon as possible.

- ***Birth Certificates***

Copies of birth certificates which may be required will be obtained and paid for.

- ***Medical, ophthalmic and dental care costs and prescriptions***

Medical and ophthalmic costs are met by the CSW team and invoices for these costs should be sent to the relevant team. The exception is Specsavers where foster carers pay the cost and seek reimbursement from the CSW team via the CSW. Children in care have their dental and orthodontic needs met by the School Dental Service. Children in care are exempt from prescription charges. Where a child in care required medical treatment off island through the Medical Specialist Group costs are met by Social Security.

- ***Nursery/ preschool fees***

Nursery or preschool fees will be met for children in care if the Child's Social Worker (CSW) and Supervising Social Worker (SSW) consider this to be in the child's best interest. This cost is covered by a specific budget. Foster carers caring for preschool children are required to be available to care for them during the day. It is also beneficial for children to attend preschool to support their development and socialisation. Free spaces are provided by the States of Guernsey for children in the year prior to the child beginning school.

HSC will determine the arrangement and the level of provision and the CSW team will sign the necessary paperwork with the supplier. Invoices will be paid by HSC. Please note – where a child is to move and the provision will no longer be required the CSW must give regard to the notice period and provide the appropriate notice to the nursery/ preschool to avoid being charged.

Where the plan is for a child to move to prospective adopters and the nursery provision is to continue, the CSW must ensure that arrangements are made in advance for nursery/preschool costs to be transferred to the prospective adopters from the date of placement. Where the nursery/preschool is to cease the relevant notice must be given by the CSW.

- ***Driving licences and lessons and tests***

Where children have been in foster care for over 13 weeks and there is no plan to return home The CSW Team will pay for Provisional Driving Licences and Driving Licences for children once they reach the relevant



age. The CSW Team will pay for up to 10 driving lessons for children in care to support them to learn to drive. The CSW Team will also pay for Theory Tests and Driving Tests.

- ***Bicycles***

Where a child requires a bicycle the relevant CSW Team will pay for this up to a maximum of £250

- ***Ipads /Laptops***

Ipads /Laptops for use for school and homework will be provided either from Education or from the CSW Team up to the end of secondary school. The CSW Team will pay for laptops for young people in care who are in education post 16.

- ***Mobile phones***

Where it is agreed that the child requires a mobile phone this will be provided by the CSW Team.

- ***Musical Instruments***

The CSW Team may consider paying for the cost of an expensive musical instrument to support a child's specific interest.

- ***Beau Sejour Corporate Freedom Gym membership***

The CSW can obtain membership for young people in care to Beau Sejour Gym through free spaces provided to the CSW Team.

- ***Leaving Care Grant and Care Leavers Offer***

A Leaving Care Grant is paid to young people leaving care. Further information regarding the Care Leavers Offer can be obtained from the Leaving Care Service.

## **5.Payment for skills- See *Payment for Skills Procedure***

Upon approval, in addition to the fostering allowance FPS pays a skills payment to foster carers in accordance with their skill level. The *Payment for Skills Procedure* sets out the requirements for each skill level. This includes short break carers, who are paid pro-rata. **NOTE:** the skills payment is paid per fostering household, not per child placed. Skills payments are the **ONLY**

payment which is taxable. Foster carers should follow the advice given following approval to obtain a specific Tax Coding for the skills payment. They should declare the skills payment on their Income Tax Returns.

FPS will ensure that the Finance Department are made aware of any change to a foster carer's skill level by sending the relevant notification of this change.

## **6.Children matched for adoption with previous foster carers**

Where foster carers have been approved as prospective adopters and subsequently matched as prospective adopters with the child in their care, the fostering allowance and skills payment will cease from the date the child is matched for adoption. All costs for children placed for adoption are met by prospective adopters except for medical, ophthalmic and dental costs which continue to be met as above until the date an Adoption Order is granted. Adoption Allowance is available to those who are eligible according to the criteria and information regarding Adoption Allowance can be requested from the Reparative Care Team.

## **7. Holiday and short break arrangements**

### **Payment to mainstream foster carers when they go on holiday without children in placement**

Where a mainstream foster carer goes on holiday and the child placed cannot or does not accompany them the child is placed in a short break arrangement. The mainstream foster carer will be paid fostering allowance for the day the child leaves their care and the day the child returns only. Skills payments continue to be paid pro rata.

### **Payment to mainstream foster carers when children are in short break arrangements**

Where children are placed in a short break arrangement to support the mainstream carers the mainstream carer will be paid the day the child leaves and the day the child returns plus up to 2 days in between, for example where a child is in short break Friday to Monday the mainstream carer will be paid 4

days, child in short break Friday to Sunday carer will be paid 3 days, Friday to Saturday 2 days. Skills payments continue to be paid pro rata.

#### Payments to short break carers providing short break care

Short break carers providing short break care will be paid for the dates they provide care only. Short break will be paid at the age band of the child if in mainstream foster care or at the relevant specialist foster care band pro rata. The short break carer skills payments is payable pro rata according to their terms of approval.

#### Day care only short breaks

Day short break hourly rate will be provided to all carers providing agreed day short break care for the hours provided. No skills payment will be made.

The hourly rate for short break care for children with disabilities will be paid to all carers providing day short break care to children with disabilities in specialist foster placement for the hours provided. No skills payment will be made.

#### **8.Staying Put and Supported Lodgings - See *Staying Put Procedure* and *Supported Lodgings Procedure***

Staying Put and Supported Lodgings are part of the provision for supporting young people in care who have reached the age of 18. HSC are following best practice and will support young people to remain with their foster carers in Staying Put arrangements until aged 21 or 25 if in full time education. Young people who are not staying with their existing foster carer or who are leaving residential care can be similarly supported in Supported Lodgings arrangements. Details will be made available to carers on request.

#### **9.Parent and Child Placements – See *Parent and Child Procedure***

This is a placement with an agreed timeframe of, in most circumstances, between 3 to 6 months. Payments to the carer will consist of the 16+ fostering allowance plus the 0-4 fostering allowance plus level 4 skills payment.

#### **10.Tax**

Foster carers do not have to declare the allowance they receive from HSC when completing their Income Tax Returns, as allowances are not considered earned income and are not subject to Tax.

Skills and fee payments are taxed at source and should be declared to the Revenue Office. Staying Put Allowance and Supported Lodgings Allowance are also not subject to tax.

Upon approval the foster carer/staying put provider /supported lodgings mentor will receive a letter of approval which contains information about the need to obtain a specific Tax Coding. It is the carer's responsibility to act as advised to obtain the Tax Coding and send this along with their email details to the Finance Officer – if part 2 of Tax Coding has not been received by the Finance Officer, tax will be deducted at 20%.

### **11.Family Allowance**

All allowances from HSC are **exclusive** of Family Allowance. Family Allowance is a means tested allowance and is payable to all foster carers for the children placed in their care by HSC, so long as the foster carers meet the threshold for this which is based on gross annual household income. Details of eligibility can be found on the Gov.gg website. Short Break carers are not eligible to claim Family Allowance. Foster carers should apply directly to Social Security for Family Allowance at the start of placements. Family Allowance is paid weekly in advance. At the end of a placement, it is the carer's responsibility to notify Social Security that the placement has ended and Family Allowance will cease to be paid. Once young people in foster care leave full time education, the Family Allowance will cease being paid by Social Security.

When children are signed into foster care on a voluntary basis their parent/guardian will continue to be paid Family Allowance for the first 28 days from the date of placement. When children are placed in foster care under an order to HSC then Family Allowance payments to parents cease immediately. Foster carers should claim Family Allowance and Social Security will begin payments according to the basis of the placement made.

## **12.Social Security Stamp**

HSC does not pay contributions for any foster carer's "stamp" to the Guernsey Social Security Scheme. Therefore, if a foster carer wishes to maintain their eligibility for sickness, unemployment, and maternity benefits they must contact Social Security and make arrangements for payments to be made. However, those who are receiving Family Allowance from Social Security will be credited with the "pension" portion of their benefits.

## **13.Termination of Allowances and leaving care – 18th birthday**

The fostering allowance will cease on the day before the young person's 18th birthday. If the young person continues to live with the foster carers in an agreed Staying Put Arrangement the Staying Put Procedure will be followed.

Fostering allowances are paid for each day a child is in placement with the foster carer. The payments cease on the last day of the placement.

HSC does not pay a retainer to the carer if the child's personal belongings remain at the carer's home. This is a situation that should be resolved by the CSW.