



# **Northamptonshire Children's Trust Voluntary Adoption Agency**

## **Finance Policy**

**January 2026**

# Adoption Allowances

## Introduction

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Financial support, where deemed appropriate, is intended to supplement existing means of support available to adoptive parents and the child, or children, being adopted. Adopters must be given advice of entitlements to employee's rights to leave and pay, benefits, tax credits and allowances. These and family income should be taken into account when considering the level of financial support.

## Legal Framework

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The Adoption and Children Act 2002 provided a major revision of adoption legislation by updating the legal framework for domestic and inter country adoption. A key provision of the act was a new regulatory structure for adoption support services which placed a duty on local authorities to assess the need for adoption support services for adoptive families and others. The Adoption Support Services Regulations 2005 specify the conditions for providing adoption support services including the provision of financial support.

### 1. Policy

Northamptonshire Children's Trust VAA will provide financial support to an adoptive parent or prospective adoptive parent, for the purpose of supporting the placement of an adoptive child or the support of adoption arrangements after an adoption order is made.

Eligibility for financial support will be based on an overall assessment of the child and adoptive family's support needs undertaken using the Adoption Support Services assessment (Assessment of Need) .

Financial support may be paid as an allowance, if it is provided to meet a need which is likely to give rise to recurring expenditure; otherwise, it may be paid as a single payment, or in instalments following agreement between the VAA and the adoptive parent.

The VAA will undertake an assessment of support needs in accordance with the Adoption Support Services assessment (Assessment of Need) and the DfE model means test. This includes undertaking an assessment at the request of an adoptive parent, after the granting of an Adoption Order, if the adoptive parent feels there have been significant changes to a child's needs and circumstances, or their own financial circumstances.

If the child is placed out of county the responsibility for post adoption support transfers to the local authority in which the child is living 3 years after the order is granted. This does not apply to financial support or support or contact arrangements which are specified in the Adoption Support Plan submitted to court with the adoption order application

If the financial support is to be paid as a regular allowance, then it must be reviewed annually and may be means tested. The VAA may choose to pay an allowance greater than the means tested amount but the annual review and means test must still take place.

Any decision to disregard the results of the means test must be to the Finance Approval. The reasons for doing so and the decision making process must be comprehensively documented and based on the child's needs. However, the means test must still take place annually to ensure effective oversight and to comply with legislation.

## **2. Procedure for Assessing Financial Support**

### **2.1 Circumstances in which financial support is payable**

Following an Adoption Support Services assessment (Assessment of Need) consideration for financial support will be given under the following circumstances:

- a) Where it is necessary to ensure that the adoptive parent can look after the child and no other form of benefit or alternative financial support is available.
- b) Where the child needs special care, which requires greater expenditure of resources because of illness, disability, emotional or behavioural difficulties, or the continuing consequences of past abuse or neglect. Payment under this category is intended where the child's difficulties are significant and long term.
- c) Where it is necessary for the VAA to make any special arrangements to facilitate the placement or the adoption because of:
  - i) The age or ethnic origin of the child, or
  - ii) The desirability of the child being placed with the same adoptive parent as his/her brother or sister (full or half-siblings) or with a child with whom he/she previously shared a home.
- d) Where support is needed to meet recurring costs in relation to contact.
- e) Expenditure on legal costs, including fees payable to a court in relation to an adoption.
- f) Expenditure necessary for the purpose of accommodating and maintaining the child, including the provision of furniture and domestic equipment, alterations to and adaptations of the home, provision of means of transport and provision of clothing, toys and other items necessary for the purpose of looking after the child.

### **2.2 Types of Payment**

#### **2.2.1 Adoption allowances**

Where the Assessment of Need identifies a support need that requires ongoing financial expenditure, consideration will be given to paying the adoptive parent an adoption allowance.

The VAA will use the DfE Standardised Means Test to determine the level of financial support provided to each applicant where an adoption allowance will be paid.

### 2.2.2 Single payments

Single payments may be provided in cases where the identified need does not require ongoing expenditure. Single payments can be one off payment or paid by instalment where the VAA and adoptive parent agree.

### 2.2.3 Financial support for former foster parents

Financial Support will be paid to foster carers in the following circumstances:

- Where the decision to award an allowance is based on the needs of the child and has been made before the Adoption Order is made; the details of the proposed allowance must be included in the Adoption Support Plan.
- A reasonable level of financial support will be made to enable children to move out of Local Authority care.
- Payments will not be made so as to provide an income. However, payments may be paid above the usual level where it is regarded as necessary to ease the transition from foster care to adoption.

Where payment is deemed necessary and fulfils these requirements the payment of adoption allowance to former Northamptonshire Children's Trust IFA foster carers will be at the following level:

- Fostering allowance plus 100% of the current skills payment in year 1.
- Fostering allowance plus 75% of the current skills in year 2.
- All allowances will be subject to the deduction of child benefit and child tax credit at the rate payable for the child.

Any other payments relating to foster care e.g. holiday/birthday/Christmas/Eid etc will not be payable under adoption arrangements.

Where ongoing financial support has been agreed through the payment of an adoption allowance, the levels will be related to Northamptonshire Trust's Fostering allowances. These are themselves related to the recommended levels of fostering allowances set out by Fostering Network.

Therefore, financial support will end after two years from the Adoption Order. In exceptional circumstances only (i.e. sibling groups, children with significantly complex needs/disabilities) an allowance including skills payment may be extended beyond two years with the agreement of the Access to Resources Panel. (ARP) In all cases this decision must be based on the needs of the child. The annual review must take place and the allowance must be means tested annually.

The skills element will only be payable where it has been agreed by the Finance ARP Panel, that adoption through the foster carers was the only practicable way to achieve legal permanence for the child. In cases where the proposed adoption is for a child where other adopters could easily have been found e.g., a child under 3 an adoption allowance is unlikely to be agreed.

For foster carers from external independent fostering agencies, the overall payment for the first two years would be the amount they receive from their agency. There will be no payment of agency fees.

### **2.3 Assessment and Approval of Financial Support in Adoption**

The need for financial support will be determined using the Assessment of Need and the DfE standardised means test. This includes providing the prospective adopter with a copy of the draft support plan and an opportunity to comment on the draft plan before it is submitted to Adoption Panel.

In determining the level of financial support to be paid, the VAA must take account of any other grant, benefit, allowance or resource which is available to the person; as financial support paid under the terms of the Adoption Support Regulations cannot duplicate any other payment available to the adoptive parents. The VAA will provide applicants with a leaflet detailing all benefits available.

### **2.4 Calculating the amount to be paid and if the payment should be means tested**

In deciding how much to pay an adopter, either through an allowance or single payment, the regulations require the local authority to consider whether a means test should be applied.

If a means test is applied it will take account of the adopters' income and resources (excluding their home), reasonable outgoings and commitments, and the financial needs and resources of the child.

As part of this assessment, the adopters will be asked to complete a Financial Assessment Form and the completed form should be forwarded to the Financial Assessment Officer, in the Post Adoption & SGO Support Team. The Strategic Manager will decide whether the request should be supported and will either, authorise (for requests totalling less than £500) or authorise an application to the Finance Approval Panel.

For a proposed adoption this will be a joint application to the panel by the child's social worker and the adoption social worker. In addition, any agreed financial support package for a new placement, must be included the Adoption Support Plan which will be submitted to the Adoption Panel with the Adoption Placement Report when a matching recommendation is being considered. The Adoption Support Plan will also be included in the application for an Adoption order and as such is legally binding on the VAA.

For an existing adoption the application to the panel will be made by the Post Adoption & SGO Support Team social worker.

### **2.5 Notification**

The adopters will be sent written confirmation of the decision to provide financial support. This will include the amount and terms of the support, information about annual reviews and their responsibilities to inform the VAA about any changes of circumstances.

The adopter will be required to sign confirming their understanding of the terms and conditions below the payment can commence.

## **2.6 Terms and Conditions**

Prior to making financial support available to prospective or adoptive parents, they will be required to commit to inform the adoption service:

- i) of changes to their home address;
- ii) if the child (for any reason) no longer lives with them; and/or
- iii) if there are any changes to their financial situation/the resources of the child.

Should adoptive parents fail to comply with the requirements, the VAA may suspend payment of the financial support provided.

## **2.7 Annual Review of Support**

Adoptive parents must also agree to undertake an annual review of their financial circumstances completed by the Financial Assessment Officer. They will be required to supply the authority with an annual statement of their circumstances for the annual review.

This will include:

- i) their financial circumstances;
- ii) the financial needs and resources of the child or children;
- iii) their home address and whether or not the child or children live at home with them; and
- iv) if there have been any changes to their own, or the child/children's circumstances.

The Adoption Service Manager will consider the results from the annual review and decide if any changes are substantial and would merit cessation of the allowance. Any proposed variation or termination of the financial support must be notified to the person(s) concerned and authorised by the Adoption Service Manager. Any decision to vary or terminate allowances should also consider whether it is appropriate to seek to recover all or any overpayment of financial support.

Should adoptive parents fail to engage with the annual review process, the VAA must send a written reminder and give 28 days to comply. If they fail to comply, the VAA may suspend payment of the financial support provided.

## **2.8 Ending of Financial Support**

Financial support will end in the following circumstances:

- On the end date of any specified payment period.
- When a child reaches age 18, unless he/she continues in full-time education or training when support may continue until the end of the course of education or training being undertaken, subject to any other financial support the child may be entitled to receive.
- Where a child ceases full-time education or training and commences employment.
- Where a child qualifies for income support or job seekers allowance in his/her own right.
- Where circumstances have changed significantly and the criteria are no longer met.
- If a child leaves the adoptive home and this is regarded as a permanent departure. Temporary absences do not apply, e.g. boarding school, hospital, and respite care.
- The child dies.

## **2.9 The Appeals Process**

If the adoptive parent is dissatisfied with the amount of financial support offered they should write to the Strategic Manager outlining the reasons for appeal. They will receive an appeal outcome decision within 10 working days. If they remain dissatisfied with the response they should follow the complaints procedure.