



North Tyneside Council

Policy for the Calculation and Payment of Special Guardianship Allowances

Document Control	
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Eligibility for Financial Support

1.1 A Special Guardianship Allowance (on-going financial support paid periodically to meet a need which is likely to give rise to recurring expenditure) will be payable where:

- The Council consider that it is necessary to ensure that the Special Guardian can look after the child; and/or
- The Council consider that the child's assessed needs require a greater expenditure of resources than would otherwise be the case because of his illness, disability, emotional or behavioural difficulties or the consequences of past abuse or neglect.

Determination of Eligibility and Amount of Allowance

1.2 When considering providing financial support the Council will:

- Endeavour to ensure that the Special Guardian is aware of and taking advantage of all other benefits and tax credits (and any other grants, allowances or resources) available to them; and
- Consider the financial means of the Special Guardian; and
- Consider the financial needs and resources of the child.

- 1.3 When determining the amount of any Special Guardianship Allowance, the Council will have regard to the amount of fostering allowance which would have been payable if the child were fostered. The fostering allowances will increase annually in line with the National Minimum allowances set by the Department of Education (DfE).
- 1.4 The maximum amount payable by way of Special Guardianship Allowance will be equivalent to the Fostering Allowance (less child benefit and any child tax credit or child element from Universal Credit for the child/ren subject to a Special Guardianship Order) based on the child's age plus any enhancement that would be payable to meet any assessed additional needs of the child or exceptional circumstances which will require such an enhancement which is at the discretion of the responsible Senior Manager. Special Guardians are not eligible for fees paid as remuneration to Foster Carers.

The actual amount payable by way of Special Guardianship Allowance will be determined using a means-testing model

- 1.5 The initial amount of financial support calculated as payable by the Council is based upon the Special Guardian's financial circumstances at the time of their application. This is established through the completion by the Special Guardian of a Financial Assessment Form and the provision by them of appropriate evidence in support. This amount is a provisional amount and will be paid by the Council for a period up to three months from the date a Special Guardianship Order is made. The amount is provisional because it is not possible for the applicant or Council to know the amount of Child Tax Credits or Universal Credit that the Special Guardian may be eligible for.

During the three month period from the making of the Order the Local Authority expects the Special Guardian to apply for all benefits and tax credits / Universal Credits if applicable, (and any other grants, allowances or resources) available to them for the child or children subject to Special Guardianship Orders. Within three months of the making of an Order, the Special Guardian must submit a new completed Financial Assessment Form which details any income they are now in receipt of in respect of the child or children subject to Special Guardianship Orders.

- 1.6 The following Table details assessable income and outgoings that will be considered by the Council in determining the amount of financial support to which Special Guardians are eligible:

Assessable Income prior to Special Guardianship Order being made

Pay	Evidence
<p>Salary/Wages</p> <p>Average net weekly income before deductions for savings schemes, social clubs. The LA will calculate net weekly income as 52.143 weeks of annualised income.</p> <p>The income figure will exclude payments into pension funds.</p> <p>This can include overtime, fees, commission, gratuities</p>	<ul style="list-style-type: none"> • 2 wage slips if paid monthly; • 8 wage slips if paid weekly.
<p>Self-Employment</p> <p>Where one or both applicants are self-employed the only income that can be considered is "drawings" as this is equivalent of pay from an employer. Any profit from the business that has not been reinvested should be considered as capital - see other sources of income.</p>	<ul style="list-style-type: none"> • Tax return prepared for Inland Revenue.
Benefits & Pensions	Evidence
<p>The following benefits and pensions are assessable income:</p> <ul style="list-style-type: none"> • Employer's sick pay; • ESA • Statutory maternity, paternity and/or adoption pay and/or maternity allowance; • Bereavement Benefit. • Universal Credit 	<ul style="list-style-type: none"> • Wage slip; • Notification from DWP; • Award Notice from DWP (with breakdown)
<p>Housing Benefit - disregarded</p>	<ul style="list-style-type: none"> • Award notice from Local Authority.
<p>State, Occupational and/or private pensions received</p>	<ul style="list-style-type: none"> • Statement from pension provider; • Bank statement.
<p>Working Tax Credit</p>	<ul style="list-style-type: none"> • Award notice from DWP.

Benefits (payable to the family and other children) this is excluding the child/ren subject to the SGO but includes any benefits derived for children in the care of a Special Guardian including Disability Living Allowance and any other benefits received by a Special Guardian	<ul style="list-style-type: none"> • Award Notice from DWP
Total Child Tax credit received	<ul style="list-style-type: none"> • Award notice from HMRC.
Total Child Benefit	<ul style="list-style-type: none"> • Notification from HMRC; • Bank statement.
Wages, Income Support or Jobseekers Allowance paid within the household over 18years of age.	<ul style="list-style-type: none"> • Wage Slips • Notification from DWP
Other Sources of Income	Evidence
Capital - Income from capital, savings and investments.	<ul style="list-style-type: none"> • Bank statements; • Statements of holdings of shares; • Savings accounts.
Income from Boarders & Lodgers. Include aged 18 years and over.	<ul style="list-style-type: none"> • Rent Agreement.
Income from rented property	<ul style="list-style-type: none"> • Tax return prepared for Inland Revenue; • Bank statements.
Maintenance payments for child in household	<ul style="list-style-type: none"> • Correspondence; • Bank account.
Special Guardianship allowance for a child placed with the family whether by the Council or another local authority	<ul style="list-style-type: none"> • Correspondence; • Bank account.
Income Related to the Special Guardianship Child	Evidence
Regular interest or income to which the child has a legal interest and entitlement e.g. savings account, trust fund, property legacy Existing allowances' (including any enhancements or specific payments for special needs) paid for the child.	<ul style="list-style-type: none"> • Bank statements; • Statements of holdings of shares; • Savings accounts.

Payments from Criminal injuries and/or Medical Compensation Awards - exempt	<ul style="list-style-type: none"> • N/A
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Assessable Outgoings

Home Expenditure	Evidence
Mortgage payments - capital & interest. This may include endowment payments linked to the mortgage	<ul style="list-style-type: none"> • Correspondence/statements from mortgage provider/endowment
Rent - amount payable after deduction of Housing Benefit	<ul style="list-style-type: none"> • Rent book; • Award notice of housing benefit • Bank statement.
Council Tax - amount payable after deduction of Council Tax benefit	<ul style="list-style-type: none"> • Council Tax statement; • Bank statement.
Other Outgoings	Evidence
Repayments of loans taken out as part of meeting the need incurred as a result of a Special Guardianship Order (e.g. buying a larger car/extension). Note - this will apply to loans taken out at the start of the living arrangements for the child . The decision to include a loan as an outgoing expense must be made by the Senior Manager, Looked After Children Resources in writing before the placement is made, this will then be considered at the friends and family panel.	<ul style="list-style-type: none"> • Correspondence /Statement from Loan provider.
Maintenance Payments	<ul style="list-style-type: none"> • Court Orders; • Correspondence with Child Maintenance Service; • Bank statements.
Court Orders	<ul style="list-style-type: none"> • Court Order
Private pension contributions and National Insurance if self-employed or not working.	<ul style="list-style-type: none"> • Correspondence; • Bank statements.

<p>Work related travel expenses - these are for purpose of travel between home and work. They can include:</p> <p>Either</p> <ul style="list-style-type: none"> • Public transport costs - actual cost; or • Mileage when one own vehicle is used - based on Inland Revenue- Mileage Allowance Payment rate for use of own vehicle at work. 	<ul style="list-style-type: none"> • Photocopy of season ticket, Metro pass; • Mileage- details journey, car log book.
<p>Childcare costs (for children of Special Guardian) (after any childcare element paid as part of Working Tax Credit) not exempt</p>	<ul style="list-style-type: none"> • Statement of costs
<p>School fees and further education costs of dependent children (for children of Special Guardian) - not exempt</p>	<ul style="list-style-type: none"> • Statement of costs

- 1.8 The guidance detailed above does not deal with all possible financial circumstances. Where a situation arises where there is a need to make a judgement as to whether a matter of income or outgoing is deemed to be assessable, the matter will be referred to the responsible Senior Manager for a decision. This decision will be confirmed with the Special Guardian in writing within 28 days. The letter will afford the Special Guardian the opportunity and sufficient time to make representations to the Council regarding its decision. The Council will then consider the representation and determine whether to include or exclude the financial circumstance from assessment and inform the Special Guardian in writing of its decision.
- 1.9 The means-testing model calculates assessable income of the Special Guardian's family. 20% of this amount is then disregarded. It then considers the assessable family outgoings, adding an amount of money the Benefits Agency identifies as the 'core expenditure' for any family and then adds an additional 25% to this figure.
- 1.10 Where Special Guardian's disposable income is calculated to be less than £0.00, the Local Authority accepts that the Special Guardians do not have the means to care or continue to care for a child or children subject to a Special Guardianship Order. Accordingly, they will therefore be entitled to an Allowance from the Council equivalent to the Fostering Allowance (less child benefit and any child tax credit or child element from Universal Credit for the child/ren subject to a Special Guardianship Order) based on the child's age plus any

enhancement that would be payable to meet any assessed additional needs of the child or exceptional circumstances which require such an enhancement which is at the discretion of the responsible Senior Manager.

- 1.11 Where the Special Guardian's disposable income is calculated to be higher than £0.00, the Local Authority accepts that the Special Guardians have the means to meet some or all of the expenditure to care or continue to care for a child or children subject to a Special Guardianship Order. The amount of disposable income evidenced will determine the amount to which the Special Guardians will be financially supported. The amount of disposable income is tapered at a set rate of 50%. This means that for every £1.00 of disposable income a Special Guardian is calculated to have, 50 pence is deducted from the Fostering Allowance (less child benefit and any child tax credit for the child/ren subject to a Special Guardianship Order) based on the child's age plus any enhancement that would be payable to meet any assessed additional needs of the child or exceptional circumstances which require such an enhancement which is at the discretion of the responsible Senior Manager. This means that the higher the amount of disposable income, the less financial support a Special Guardian is entitled to.
- 1.12 Where the Special Guardian's disposable income is calculated to be such that the Allowance tapers to less than £0.00 of the Fostering Allowance (less child benefit and any child tax credit for the child/ren subject to a Special Guardianship Order) based on the child's age plus any enhancement that would be payable to meet any assessed additional needs of the child or exceptional circumstances which require such an enhancement which is at the discretion of the responsible Senior Manager, the Special Guardian is not eligible for an Allowance. The Special Guardian has been determined to have provided evidence that they have the means to accommodate all of the expenditure that would be reasonably required to care or continue to care for a child or children subject to a Special Guardianship Order.
- 1.13 Where it is calculated that no Allowance will be paid, the Special Guardian can make representations to the responsible Senior Manager that their circumstances are such that an amount payable by way of an Allowance is necessary in order to ensure that the Special Guardian can look after the child having regard to the exceptional needs of the child or any other exceptional circumstances; in which case an amount shall be paid at the discretion of the responsible Senior Manager. Confirmation of any discretionary payment deemed necessary will be provided to the Special Guardian in writing. The discretionary payment will not, ordinarily, exceed the maximum Fostering Allowance (less child benefit and any child tax credit or child element from Universal Credit for the child/ren subject to a Special Guardianship Order) based on the child's age plus any enhancement that would be payable to meet

any assessed additional needs of the child or exceptional circumstances which require such an enhancement which is at the discretion of the responsible Senior Manager.

Use of Allowance paid to Special Guardians

1.14 The Special Guardianship Allowance paid by the Council is intended to ensure that the average costs of caring for a child or children subject to a Special Guardianship Order are met. The Council does not prescribe how Special Guardians should spend the allowance or specify the amounts that should be spent on particular items or elements of care, as expenditure will vary from one Special Guardian to another. However, the Allowance is intended by the Council to cover the following costs:

- Food and accommodation (including a contribution towards heating and lighting costs);
- Clothing;
- Age-appropriate pocket money;
- Transport usually associated with any child living in a family including to and from education and out-of-school activities;
- Leisure activities;
- School meals and other education costs;
- Reasonable costs associated with the promotion of family time.

1.15 It is accepted that there are important events in the lives of a child subject to a Special Guardianship Order which incur additional costs for Special Guardians. As an example, to cover holidays, religious festivals etc. Therefore, Special Guardians will receive an additional four weeks child allowance which is incorporated within their weekly payments over a 52 week period.

1.16 Any other costs incurred by a Special Guardian associated with the care of a child subject to a Special Guardianship Order are expected to be met from the allowance paid. Where Special Guardians feel that they are incurring an exceptional cost relating to the child a written request can be made to the SGO Finance Team for a Senior Manager to review. The outcome of the review for any discretionary payment deemed necessary for the child will be provided to the Special Guardian in writing. A Special Guardian should not enter into any commitment to an exceptional expense without prior, written agreement to reimbursement having been given by the Senior Manager. Exceptional costs will not, ordinarily, include payments for household items or other related expenditure.

Financial Support in addition to that paid to Special Guardians by way of an Allowance

- 1.17 Legal costs incurred by a Special Guardian associated with the care of a child subject to a Special Guardianship Order are not expected to be paid by the Special Guardian from the amount paid by way of an Allowance. Legal costs can, on occasions, be significant. Special Guardians will need to evidence to the Council that they are not eligible for Legal Aid. The Council will then pay for reasonable legal costs at the equivalent to legal aid rates. A Special Guardian should not enter into any commitment to pay legal expenses without prior, written agreement to reimbursement having been given by the responsible Senior Manager.
- 1.18 Exceptional transport costs related to the promotion of family time and other associated exceptional costs relating to the promotion of family time are not expected to be paid by the Special Guardian from the amount paid by way of an Allowance. Exceptional family time arrangements and costs must be detailed within the SGO Support Plan. A Special Guardian should not however enter into any commitment to pay exceptional family time costs without prior, written agreement to reimbursement having been given by the responsible Senior Manager. Costs of transporting to and from family time within the Borough, hosting family time within the family home or at a free public venue will not be considered exceptional.

Additional Financial Support to Former Foster Carers who were in receipt of Fees

- 1.19 The Council makes additional financial provision to Foster Carers who become Special Guardians where their financial circumstances are such that they have been assessed as eligible for a Special Guardianship Order Allowance.
- 1.20 Additional to the Special Guardianship Order Allowance, Special Guardians will be paid for a transitional period of two years from the date of the Special Guardianship Order any fee-based component of the Fostering payments that they were formerly paid as remuneration to Foster Carers. This transitional additional financial support is provided to mitigate the impact of the reduction in income for the fee-based component of the Fostering payment the Special Guardians previously received as Foster Carers.

1.21 The amount payable will reduce during the two year period as follows

- 0-12 Months 100% of any fee element paid
- 12-24 months 50% of any fee element paid
- 24 months onwards No payment of any fee element

Exceptional Hardship Assistance for a Child in the care of a Special Guardian

1.22 Where a Special Guardian's immediate financial circumstances are such that assessment by the Council is that they would not be able to remain a Special Guardian for the child, the responsible Senior Manager may consider a discretionary payment to support the maintenance of the care arrangement. Each case will be unique and based on the assessed needs of the child, the particular circumstances of the Special Guardian and the immediacy and level of risk to the care arrangement disrupting. A clear written agreement will be drawn up so all parties are clear about the intended purpose and use of the payment.

1.23 Where the Council offers a series of payments, these will be time-limited, and any further payments required will need to be reviewed by a Senior Manager. Any written agreement will also need to be updated at the time of review.

Review of Special Guardianship Financial Support

1.24 The Council will review the financial support paid to a Special Guardian on an annual basis. In addition a review will be required when:

- The Council becomes aware of a significant change in the circumstances of the family; or
- The Special Guardian informs the Council that there has been or is to be a significant change in the circumstances of the family; or
- At any point the Council considers it would be appropriate to do so

1.25 Reviews are undertaken by the Finance Section of the Council. Special Guardians will be required to complete Financial Assessment Documentation and supply copies of required evidential documentation upon request. The Annual Review will be triggered at the ten month point from the previous Review, enabling the Special Guardian and the Council sufficient time to review

the circumstances and establish eligibility and any amount to be paid within the next period.

- 1.26 Special Guardian's will receive a request in writing to complete their annual review and provide all of the requested evidential documentation. The financial review also requires written evidence that the child/ren is still in their care. Evidence that can be accepted includes correspondence from Health or Educational professionals.

Suspension of Financial Support

- 1.27 Payments may be suspended by the Council where:

- The Special Guardian has failed to notify the Council of any significant change of circumstances; or
- The Special Guardian has not responded by the review date.
- The Council has reasonable cause to suspect that the Special Guardian may be making a fraudulent claim for the allowance.
- At any point the Council considers it would be appropriate to do so

- 1.28 Where a payment is suspended, for any other reason other than non return of review documents the Special Guardian will be informed in writing of the reasons for suspension. The Special Guardian may make representations to the responsible Senior Manager in writing and any decision to reinstate payments or back dated payments will be made on a case by case basis and the Special Guardian will be notified in writing.

- 1.29 Any over payment will be recovered. Where a special guardian is experiencing financial hardship the council may consider a payment plan to repay the outstanding debt.

- 1.30 Where there is suspected fraud the SGO Finance Team, will liaise with the Senior Manager and consideration will be given to a referral to the Anti-Fraud Team within the council for further guidance.

Ending of Financial Support

- 1.31 Financial support will no longer be payable by the Council if:

- The child turns 18, unless the Special Guardian has made a request for this to continue as the child remains in full time education or training.
- The child is no longer living at the address of the Special Guardian

- The child ceases full time education or training and commences employment; or
- The child qualifies for benefits in his/her own right; or
- The child dies; or
- The Special Guardian's financial circumstances are such that their means no longer require the financial support of the Council to care for the child; or
- The Special Guardian refuses to engage in the review process.

1.32 If the Council proposes to terminate financial support it will give the Special Guardian written Notice of the proposed termination and afford the Special Guardian the time and opportunity to making representations. The Council will then consider any representations received within the period specified in the Notice and then decide whether to continue, vary or terminate payment of financial support and inform the Special Guardian in writing of its decision. Please note that once a child reaches the age of 18 there will be no notification sent and payments will automatically stop.