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Cabinet Member for Children and Young People

27 July 2015

**Name of Cabinet Member:**

Cabinet Member for Children and Young People - Councillor E. Ruane

**Director Approving Submission of the report**

Executive Director of People

**Ward(s) affected:**

None

**Title:** Adoption Financial Support Policy

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**Is this a key decision?**

**No**

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**Executive Summary:**

This report seeks approval of the Cabinet Member for Children and Young People to the proposed changes for financial support provided to adopters.

The Council will provide financial support to an adoptive parent or prospective adoptive parent, for the purpose of supporting the placement of the adoptive child or the continuation of adoption arrangements after an adoption order is made.

The Adoption Support Services Regulations 2005 specify the conditions for providing adoption support services including the provision of financial support.

Eligibility for financial support will be based on an overall assessment of the child and adoptive family's support needs. Coventry will undertake an assessment of support needs and this includes the undertaking of 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.

The adoption financial support policy was reviewed in 2009 and this review seeks to update the policy in line with the review of other allowances. The policy review seeks update the policy.

The key elements of the revised policy are:

1. The Policy applies to children subject to adoption orders in line with statutory guidance (see 1.2 below) and under the criteria set out in 1.4 below.

2. An assessment for support services must be carried out where the child is a looked after child. A financial assessment is always carried out where the Local Authority considers that financial support may be required for a child who is currently or previously looked after.
3. A means test will
  - Take into account 80% of the disposable income
  - Deducted both child benefit and the child tax credit.
  - Disability Living Allowance will not be deducted
  - Child Benefit will not be deducted where income support is the only source of income.
  - Mileage will be paid 0.45p per mile
4. Payments for children will cease at the child's 18th birthday unless remains in full-time education or training, when it may continue until the end of the course or training he is then undertaking. Any other exceptions to this will be reviewed on an individual basis
5. Conditions of payments are written into the plan and the authority may attach special conditions to any payment it deems relevant, and that carer/s' sign to give their acceptance to these conditions.
6. Any overpayment is subject to full recovery in accordance with the conditions laid out
7. The policy requires that all support including financial support is subject to an annual review or a review where there is a change of circumstances.

### **Recommendations:**

The Cabinet Member for Children and Young People is requested to:-

- Approve the revised policy as detailed in the report for awarding adoption allowances with immediate effect for new cases and from the allowance review date for existing allowances.

### **List of Appendices included:**

#### **Other useful background papers**

No

#### **Has it been or will it be considered by Scrutiny?**

No

#### **Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

#### **Will this report go to Council?**

No

**Report title:** Adoption Financial Support Policy

**1. Context (or background)**

- 1.1 Coventry's permanence policy is committed to achieving permanence for looked after children, and this can be achieved through the granting of an Adoption Order, a Special Guardianship Order or Child Arrangement Orders. An Adoption Order makes an adoption legal and gives the adopter/s parental rights and responsibilities for the child.
- 1.2 The Council will provide financial support to an adoptive parent or prospective adoptive parent/s, for the purpose of supporting the placement of the adoptive child/ren or the continuation of adoption arrangements after adoption orders are made.
- 1.3 The Adoption Support Services Regulations 2005 provide the legal framework within which allowance should be paid and these regulations specify the conditions for providing adoption support services including the provision of financial support. In summary the regulations stipulate the following financial provisions:
  - outlines the circumstances in which financial support can be paid (Regulation 8)
  - enables the Local Authority for providing remuneration to foster care placements when transitioning to adoptive placements; and for a period of two years. (Regulation 9)
  - specifies the circumstances where an adoption allowance may be paid; and in all other cases by a single lump sum payment. (Regulation 10)
  - specifies when financial support arrangements should cease (Regulation 11)
  - specifies the conditions for which the adoptive parent must agree before an adoption allowance is paid. (Regulation 12)
  - specifies the information that must be taken into the account when undertaking an assessment of a persons need for financial support. In particular it stipulates the circumstances where means testing must be undertaken and when it is within the discretion of the Council to decide if means testing is appropriate. (Regulation 15)
  - specifies the arrangements for reviewing an adoption allowance (Regulation 20)
- 1.4 Financial support is payable to an adoptive parent for the purpose of supporting the placement of the adoptive child or the continuation 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.
- 1.5 The Council will undertake an assessment of support needs as part of the matching process prior to the placement of the child with their prospective adopter/s. An assessment can also be undertaken 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.
- 1.6 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, or, it may be paid as a single lump sum following agreement between the Council and the adoptive parent/s.
- 1.7 Financial support is paid.
  - Where it is necessary to ensure that the adoptive parent can look after the child.
  - To meet the child special care needs which requires greater expenditure of resources because of illness, disability, emotional or behaviour difficulties or the continuing consequences of past abuse or neglect. Payment under this category is intended where the child's condition is serious and long term

- To enable siblings to be placed together whether half or full blood
  - To facilitate the placement of 'harder to place' children because of their age or ethnic origin of the child, or where support is needed to meet recurring costs in relation to contact.
  - Expenditure on legal costs, including fees payable to a court in relation to an adoption
  - Expenditure necessary for the purpose of introducing an adoptive child to his adoptive parents, accommodating and maintaining the child, including mileage costs, reasonable amount as a settling in grant to enable the purchase of essential items of equipment which the family could not necessarily be expected to have or afford to purchase, 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.
- 1.8 Where the Adoption Support Assessment identifies a support need that requires on-going financial expenditure, consideration will be given to paying the adoptive parent an adoption allowance. In determining the level of financial support to be paid, the Council must take account of any other grant, benefit, allowance or resource which is available to the person. It is therefore important to ensure that adopters are aware of and taking advantage of all benefits and tax credits available to them.
- 1.9 Statutory guidance stipulates that financial support payable under the Adoption Support Regulations 2005 cannot duplicate any other payment available to the carer/s. The exception being where the child is in receipt of Disability Living Allowance or the adoptive parents are dependent on state benefits. In determining the amount of financial support the Council must take account of any other grant, benefits (such as child benefit and child tax credits), and the exception being Disability Living Allowance
- 1.10 The regulations set out a number of considerations that local authorities must have regard to when undertaking an assessment for support, including financial support that forms the considerations of the means test. Where financial support is to be paid on-going, it is not payable until the carer/s or potential carer/s agrees to a detailed set of conditions as laid out in the legislation.
- 1.11 The regulations also provide that the local authority may attach special conditions to any payment they consider appropriate, including the timescale within which and purposes for which any payment of financial support should be utilised. Such conditions are written into the plan and that carer/s' sign to give their acceptance to these conditions. These also require the carer/s to contact the authority with any changes in their circumstances that would affect the amount payable.
- 1.12 Any overpayment is subject to full recovery. Any debt write-off would be highly exceptional and subject to authorisation in accordance with the Authority's debt write-off policy.
- 1.13 In some cases the proposed revised policy will result in an increased payment and in other cases a reduction in payment to the adoptive parent(s) would be required. The Council will seek to ensure that variations to the current policy will not adversely affect existing adoptive placements, or prospective adopters, where an adoption allowance has already been agreed and arrangements to protect adopters for a period of three years would be considered.
- 1.14 Each case is determined on its individual circumstances; the final decision on the transitional timing and transitional rate(s) will be at the discretion of a joint decision between the Head of Service and the Financial Manager.

1.15 The Adoption Support Services Regulations 2005 state that finance support ceases to be payable to the carer/s if:

- The child ceases to have a home with the adoptive parent,
- The child ceases full-time education and commences employment,
- The child qualifies for income support or jobseeker's allowance in his own right, or
- The child reaches the age of 18, unless he remains in full-time education or training, when it may continue until the end of the course or training he is then undertaking.

In addition the Council will cease allowances where the review determines that the allowance should be terminated.

1.16 The proposed starting rates adoption rates before any financial assessment criteria are:

<b>Child's age</b>	<b>Adoption Child Rate £</b>
<b>0 – 4</b>	114.30
<b>5 – 10</b>	130.26
<b>11-15</b>	162.06
<b>16 +</b>	197.12

1.17 The policy requires that all support including financial support is subject to an annual review or a review where there is a change of circumstances. The financial assessment calculates the financial circumstances of the adopter by calculating household income and deducting household expenditure to arrive at the disposable income figure. The starting rate (as shown in 1.16) is then adjusted to reflect this contribution. The main changes that we are proposing in relation to the financial assessment are to deduct child benefit where appropriate, and alter the percentage applied to disposable income to 80%.

## **2 Options considered and recommended proposal**

2.1 This recommendation ensures compliance with the statutory guidance, and takes into account practice and approach in other Local Authorities.

## **3 Results of consultation undertaken**

3.1 The policy is compliant with statutory regulations.

## **4. Timetable for implementing this decision**

4.1 Subject to approval, it is proposed that the revised policy and practice will be implemented with immediate effect for new cases. For current cases it is proposed that the revised financial assessment including the means test is phased in for on-going cases as part of their annual review. All adopters receiving an allowance will be advised that child benefit will be deducted. Financial assessment review dates may potentially be brought forward to enable all cases to be reviewed together during the transitional assessment phase.

## **5. Comments from Executive Director of Resources**

### **5.1 Financial implications**

5.1.1 Adoption Support Budget – financial support for adopters  
For 2014/15, there was a total spend of £969,000 against a budget of £721,000 giving an overspend of £248,000. The overspend predicted for 2015/16 at quarter 1 is £313,000. The

continuing overspend is due to an increase in activity and unit costs in recent years, as identified in the table below.

<b>Adoption Allowances - unit costs</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
				Qtr 1 forecast
Cost	723,000	729,000	969,000	1,034,000
No children	125	132	137	137
Unit cost - per year	5,784	5,523	7,073	7,547
<b>Average per week</b>	<b>111</b>	<b>106</b>	<b>136</b>	<b>145</b>

Note: For 2015/16, there are 76 households

- 5.1.2 The revised financial assessment will reduce costs by £74,000 per annum, once the new assessment is applied for existing carers. This still leaves a predicted overspend of £239,000 per annum not taking into account starters and leavers.

There is further review work to do in this area, and we will report back to Cabinet Member on this

## 5.2 Legal implications

The statutory framework sets out certain conditions, which will trigger the need for financial support, but the overall intention is to ensure that the adoption of a child or the continuation of adoption arrangements should not be prevented because of lack of financial support. The Adoption Support Regulations 2005 sets out the circumstances in which financial support may be paid to an adoptive parent.

<http://www.legislation.gov.uk/ukxi/2005/691/regulation/3/made>

## 6. Other implications.

- 6.1 **How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)**

The numbers of children in care are high and securing permanence for children within their family network or with their foster carers is a key strand in reducing the number of children in the care. As a Corporate Parent, securing appropriate family placements is an important means of giving them the best life chances possible

- 6.2 **How is risk being managed?**

The amendments proposed bring policies for Children's Services up to date and ensure that practices are efficient and fully fit for purpose. There is an impact on the children's budget and this will be monitored carefully.

- 6.3 **What is the impact on the organisation?**

As Corporate Parents of children who were looked after prior to their adoption and the Council has a duty to ensure that all these children have a financial assessment carried out on their behalf.

The changes will mean that some families will gain and some families will lose financially. For families where there is a predicated loss this will be carefully reviewed and each case will merit transitional arrangements, particularly those in a situation where their allowance payment will significantly reduce or cease. The financial needs of those families can be fully supported by either benefits for which they are eligible and/or the revised policy for Carer/s.

**6.4 Equalities / EIA .**

The review of the policy and assessment process will ensure that all families are treated equitably and have access to the required resources to look after the children in their care.

**6.5 Implications for (or impact on) the environment**

None

**6.6 Implications for partner organisations?**

None

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