



Financial Policy for Camden Foster Carers 2017 / 2018

Allowances and Fees



This document sets out the framework of financial support foster carers receive from the Camden Fostering Service. It details the allowances and fees that will be paid to carers and what this money is expected to be used for. It also explains the circumstances in which additional payments can be made.

The Camden Fostering Service reviewed its fees and allowances on 1 September 2013 in recognition of the excellent quality of care that foster carers provide to children and young people that is evidenced by positive outcomes achieved by the children and young people. The fees and allowances are in line with the Fostering Network guidance and allowances provided by the North London Adoption and Fostering Consortium, other leading London authorities and Independent Fostering Agencies.

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1 Payments to foster carers

Payments to carers are made up of two elements: a weekly maintenance allowance and a weekly professional fee.

Weekly Maintenance Allowances

This allowance is provided to cover the costs of looking after a child in placement. For example it covers the costs of accommodating the child in the home, food and associated household bills, entertainment and activity costs, clothing costs, and items that help children and young people improve their outcomes.

The items set out below provides a general overview of how the total weekly maintenance allowance should be spent and should be used as a minimum standard and guide only.

Professional Fee

This is paid to all carers who meet the training and development requirements outlined for all foster carers as part of the Fostering Regulations and National Minimum Standards. This includes attending Skills to Foster training and all required training as per their annual Personal Development Plan. This fee is paid in recognition that this commitment to ongoing training and development enhances a foster carers skills and abilities to care for children. If foster carers do not attend all relevant training or support groups during the year as per their Personal Development Plan this allowance will be reviewed at the foster carers annual review.

The professional fee also increases according to the foster carers abilities to meet the needs of more challenging and complex children and young people. Specialist foster carers are therefore paid a higher fee to reflect their increased level of experience and skills that allows them to offer reparative parenting to children with complex emotional and behavioural needs.

Family link carers are also paid at the specialist rate in recognition of the complex physical, emotional, cognitive and behavioural needs of the children placed under this scheme. The payment to **family link carers** is calculated as a pro-rata daily rate from the specialist fees and allowances payments.

More information on the specialist fostering schemes is provided later in this document.

Grants, additional and discretionary payments

Camden foster carers are entitled to receive set grants each year in relation to the children or young people placed with them and for themselves. This includes payments for birthdays, religious festivals and payments for holidays.

The Camden Fostering Service will negotiate additional allowances or discretionary payments on a case by case basis between the foster carer and the supervising social worker. This might apply in relation to initial setting up costs incurred by the foster carer to furnish a bedroom for a child or young person. It may also apply

where the foster carer has extensive travel commitments each week associated with the child in placement. Foster carers must seek approval from their supervising social worker before they make any additional expenditures in relation to a child. They should also keep receipts where possible to provide to their supervising social worker. Full guidance is provided later in this document about each of these payments and eligibility rules.

Payments of allowances and fees

Both payment elements are paid on a weekly basis via the foster carers nominated bank account. These payments typically arrive in the foster carers bank account on a Monday. In the event of bank holidays the payments are generally processed and transferred a day earlier and arrive in the carers account on a Friday (therefore the carer would receive two payments in one week) to avoid the foster carer being out of pocket.

Remittance advices are sent out to the foster carers on a weekly basis with full details of the payments made to them in relation to each child they are caring for. The remittance advice breaks down the payments into a fee and allowance elements. It also breaks down any other payments made to the carers such as one off clothing payments or retainers. Foster carers are expected to keep a copy of each of their weekly remittance advices to inform their annual tax returns as the Camden Fostering Service does not provide annualised statements of payments made to foster carers.

2 Breakdown of weekly allowances and fees for foster carers

MAINSTREAM FOSTER CARERS WEEKLY FEES AND ALLOWANCES			
Age Range	Maintenance allowance	Professional Fee	Total weekly amount per child
0-10 years	£217	£136.50	£353.50
11-18 Years	£301	£136.50	£437.50

SPECIALIST FOSTER CARERS WEEKLY FEES AND ALLOWANCES			
Age Range	Maintenance Allowance	Professional Fee	Total weekly amount per child
0 – 10 years	£217	£483	£700
11- 18 years	£301	£483	£784

3 Breakdown of maintenance allowances

The items set out below provides a general guide for expectations of how foster carers should spend the maintenance allowance in relation to the child or young person they are caring for. These rates should be used as a minimum standard and guide only.

Age range	Accommodation (30%)	Household (18%)	Food and housekeeping (21%)	Clothing (10%)	Personal / hobbies (9%)	Pocket Money (5%)	Transport (7%)
0-10	£65.10	£39.06	£45.57	£21.70	£19.53	£10.85	£15.19
11-18	£90.30	£54.18	£63.21	£30.10	£27.09	£15.05	£21.07

4 Guidance on the use of allowances

Item	Guidance and terms of payment
Clothing allowance	<p>The clothing allowance can be used flexibly by the foster carer to buy clothes directly for younger children; or be given to older children / young people on a weekly/monthly basis to purchase their own clothing. Older young people should be encouraged to take responsibility for some of this allowance as part of their developing independence skills and learning to budget.</p> <p>The use of the clothing allowance should be set out in the child/young person's placement plan and agreed by the foster carer, supervising social workers and the child/young person's social worker at the initial placement planning meeting. The clothing allowance should be used to purchase school and casual clothing/footwear or replacement school uniforms. If a child/young person changes or commences at a new school and an entirely new uniform is required, an additional school clothing allowance will be provided.</p> <p>Children's feet should be regularly measured and specially fitted up to the age of 13 as children's feet can be damaged long term by poorly fitting shoes.</p> <p>Foster carers of young people aged sixteen and over should ensure that the young person has sufficient suitable clothing and footwear for formal interview situations, education, training, or employment opportunities and for their future move to independence.</p>
Computers	Computers are now part of everyday household life in the United Kingdom and children without access to a computer are at a disadvantage. The Camden Fostering Service will therefore provide every fostering household with a PC to assist the children or young

	<p>people in placement with their education, learning and social activities.</p> <p>Foster carers are expected to have a broadband connection in order to ensure children and young people can take advantage of learning opportunities.</p> <p>Children and young people must be allowed to access the computer for homework, emailing and social networking. Foster carers should monitor children and young people's use of the computer to ensure they are keeping themselves safe while online. Foster carers are able to access training on e-safety through the Camden Fostering Service to assist them with this.</p> <p>Foster carers are also able to use the computer for keeping weekly logs and records associated with the child or young person in their care. Foster carers should ensure they are meeting the requirements of the Data Protection Act 1998 in relation to information they store on the computer regarding children and young people in their care.</p>
Education allowance	<p>Standard materials that are required for children and young people's school attendance and activities are provided for within the maintenance allowance. If specific <u>major</u> items are required foster carers should contact their supervising social worker regarding payments for 'one off' educational situations.</p> <p>The maintenance allowance provides for the purchase of a yearly set of standard school photographs. If it is assessed by the foster carer, supervising social worker and social worker that supplementary photographs are required a one off discretionary payment will be made.</p> <p>The maintenance allowance provides for school trips and activities. Foster carers should contact their supervising social worker regarding additional financial support to enable young people to undertake major school field trips, holidays and other activities.</p> <p>All Looked After Children aged between 4 and 15 years are also entitled to 'Pupil Premium' funding. Pupil Premium funding should be used to raise the attainment of Looked After Children and close the gap between them and their peers. The grant allocation for Looked After Children is managed by the designated Virtual School Head to be used for the benefit of the Looked After Child's educational needs as described in their Personal Education Plan (PEP). Foster carers are encouraged to take an active role in negotiating how this funding is spent and should discuss these</p>

	ideas with their supervising social worker and the Camden Virtual School.
Holiday clubs and activities	The maintenance allowance provides for the provision of holiday clubs and activities during term time and part of the holiday period. Children should not spend all their school breaks in play schemes unless there are special circumstances agreed with the supervising social worker and children's social worker.
Luggage allowance	The maintenance allowance provides for the purchase of two items of luggage for children and young people. All young people moving to independence or between placements must have appropriate personal luggage. Children should never move with their possessions in bin liners.
Personal leisure and hobbies / skills allowance	The personal leisure and hobbies/skills payment is provided to enable children and young people to engage in hobbies which will develop their self-esteem such as sport and playing a musical instrument. This element of the allowance might also be used to pay for membership of a hobby sporting or leisure club. Children and young people should be encouraged to take part in at least one social activity each week.
Pocket money allowance	The pocket money allowance is provided for children and young people for their general and personal needs. The amount of pocket money should be agreed at the placement planning meeting and this should be given on a weekly basis to the child or young person. The table above provides guidance on how much the foster carers should provide as a minimum. If the foster carers do not provide the full guidance amount of pocket money to the child or young person that it can be deposited into the child or young person's savings account.
Savings allowance	Foster carers are required to save £10 per week for each child or young person in placement. This money is protected and should not be given to a child or young person prior to their 18th birthday. Furthermore, under no circumstances can a child or young person's savings be used by the foster carer to supplement other expenses. When a child or young person leaves the placement it is expected that the savings are given to the supervising social worker within 2 weeks of the placement ending. All children and young people who have been in care for over 1 year will have a junior ISA account opened for them by their social worker.

	<p>All other children and young people should have a savings account opened for them upon their joining the placement.</p> <p>In the event that there are difficulties or delays in opening a bank account for the child or young person the foster carer is expected to open a bank account for the child in their name while arrangements are made to resolve the matter by the child/young person's social worker.</p>
Religious and cultural needs	<p>The maintenance allowance contains an element to assist young people to access services aimed at meeting their ethnic, religious and cultural need. This might include skin and hair care, dietary requirements and visits to the child's place of worship.</p>
Travel allowance	<p>The travel allowance is provided to cover any aspect transporting the child or young person in placement associated with their basic care. This might include transport to and from school, family contact, health appointments or leisure activities. The transport allowance is calculated as covering the first 60 miles of transport each week.</p> <p>Where appropriate and depending on an assessment of need that takes into account the young person's age and maturity, young people should be encouraged to use public transport. This will help them develop their independence skills so that they can take advantage of education, training and employment opportunities, and develop leisure and personal interests.</p> <p>Transport for London (TfL) offer 5-10 year Zip Oyster Cards; 11 – 15 years Zip Oyster Cards; and 16+ Zip Oyster Cards. These cards allow children and young people to travel for free or for discounted rates. There is detailed guidance available on the TfL website for each of these cards and foster carers are encouraged to familiarise themselves with this. http://tfl.gov.uk/fares-and-payments/travel-for-under-18s/zip-oyster-photocards</p>

5 Guidance on grants, additional, discretionary payments & overpayments

Item	Guidance and conditions
Absence of the child or young person from placement	<p><u>Missing from placement</u></p> <p>The child's fostering allowance and fee will be paid to the carers if the child is missing from placement. If after 7 days the child is still missing decisions about the placement will be subject to normal care planning processes. This may include negotiating the payment of a retainer until the child or young person returns to placement.</p> <p><u>School trips</u></p> <p>When the child young person is on a school trip the foster carer will receive the full allowance and fees for the child or young person. The foster carer is required to ensure the young person has sufficient money for food, travel and pocket money for the duration of the school trip. During this period the foster carer is expected to remain available to take the young person back if the plans around the school trip changes or it breaks down due to the child or young person's behaviour.</p> <p><u>Hospitalisation</u></p> <p>The child's fostering allowance and fee will be paid to the carers if a child or young person is hospitalised with the expectation that the carer supports the child as any parent would or stays at the hospital. If after 7 days the child is still in hospital the payment of the fee and allowances will be negotiated with the foster carer. This may include negotiating the payment of a retainer until the child or young person returns to placement. The negotiation will take into account the amount of contact that the foster carer maintains with the child or young person whilst they are in hospital. At a minimum they would be expected to visit every second day and call the child every day.</p>
Babysitting costs	<p>In instances where foster carers cannot call on the support of their back up carers to assist with babysitting while they attend training they may be able to claim for the costs of babysitters. This must be agreed in advance with the supervising social worker.</p>
Birthday Allowance	<p>The birthday allowance is provided for foster carers to purchase gifts and to provide a contribution towards the cost of the child or young persons' birthday celebrations. Only in exceptional circumstances and following discussion with the supervising social worker and child's social worker should the allowance be</p>

	<p>given in cash. Unspent birthday allowances should be put into savings for the child. Your supervising social worker will ask for details of how you have spent the birthday allowance each year. Payments are made automatically before the child or young person's birthday.</p> <p>For children aged 0 – 10 years the birthday allowance = £162</p> <p>For young people aged 11 – 18 years the birthday allowance = £207</p> <p>Payments are made automatically approximately three weeks prior to the child/young persons' birthday.</p>
Children's or young person's glasses	<p>Children and young people's glasses should be funded by an NHS optical voucher. The foster carer may request extra finance of up to £50 towards a particular pair of glasses. If designer glasses are wanted this should come from clothing with a contribution from the young person if appropriate.</p>
Christmas / religious festival allowance	<p>The Christmas/religious festival allowance is provided to purchase a gift and to provide a contribution towards the cost of celebrations, including a gift.</p> <p>Payments are made automatically approximately three weeks prior to the festival. If the allowance is required at a different time of year for an alternative festival a request should be made via the supervising social worker. Your supervising social worker will ask for details of how and when you have spent the Christmas/Religious Festival allowance each year.</p> <p>For children aged 0 – 10 years the Christmas/Religious allowance = £162</p> <p>For young people aged 11 – 18 years the Christmas/Religious allowance = £207</p>
Consortium Parent and Child placements	<p>Parent and child foster carers will be paid £850 per week which includes the maintenance allowance and fee elements. A retainer of £450.00 per week will be paid between placements for up to 10 weeks.</p>
Council Tax Exemption	<p>Foster carers who are residents of the London Borough of Camden are exempt from paying council tax. This initiative was introduced by Camden Council in December 2013. The foster carer should discuss this with their supervising social worker to ensure that they are registered with the Council for this scheme.</p>

Disability living allowance for disabled children	Foster carers are encouraged to apply for this state benefit in addition to the fostering allowance for a disabled foster child. It is payable to meet the additional needs arising from the child's disability and is not deducted from fostering allowances for children under the age of 18. Carers are required to keep a log of all spending of the DLA including receipts for large spends which may be regularly reviewed by the supervising or LAC social worker.
Damaged items or property	<p>In order to assist foster carer the Fostering Service will always consider re-imbursment of any damaged items or damage to the foster carers home when this has been caused by the child or young person in placement.</p> <p>Before any replacement items can be purchased or ordered, it is essential that an assessment is made of the damage by the supervising social worker and that a written request is provided to the Fostering Service Manager to consider costs. Payments will not be reimbursed if money is spent without having first been approved.</p> <p>Foster carers should always consult their insurance company about any damage or loss to establish their right to make a claim.</p>
Emergency clothing grant	An emergency clothing grant is paid where a child being accommodated does not have adequate clothing for everyday needs. When a child is first placed foster carers should make a list of the clothing that the child/young person has arrived with. If the amount of clothing is inadequate the foster carer should contact their supervising social worker, detailing what clothing is necessary for the child / young person and seek their agreement for reimbursement before purchasing any items. All receipts should be kept and a list made of all items bought. The maximum amount of this grant is £100.
Exceptional payments	Where specific situations arise that are outside of the scope of this policy and guidance, foster carers should contact their supervising social worker regarding payments for exceptional and 'one off' situations.
Expenses relating to introductions and/or moving on	Where foster carers incur costs relating to taking a child to a long-term / adoptive / special guardianship placement for introduction these will be reimbursed. These costs are maximised at up to £25 per day for meals as well as travel expenses outside of London. Costs should be discussed with

	the supervising social worker in advance and all receipts will need to be provided.
Foster carers holiday grant	<p>Foster carers will receive a holiday payment which is made up of 3 times the weekly fee for mainstream foster carer and specialist foster carers. This payment is made automatically in August and covers the calendar year during which it is paid.</p> <p>The general expectation of the fostering service is that foster carers take children on holidays with them. In exceptional situations where a foster carer takes a holiday without a child or young person, they will still receive their holiday allowance but they will not receive their foster allowance or fee for that period.</p>
Initial / change of school uniform grant	This is paid to foster carers to buy school uniforms when a looked after child is starting or changing schools. Replacement uniforms should be paid for from the clothing allowance. The maximum amount of this grant is £100.
Interagency placements through the North London Fostering Consortium	Foster carers offering placements through the consortium will be paid the same allowances and fees as for all Camden placements under the Memorandum of Understanding agreed with all consortium members.
Key documents	The Local Authority will purchase a passport and 2 copies of birth certificates for all children and young people in placement. This will provide two forms for identification as well as a travel documents. Both of these items can also assist young people with opening bank/savings accounts and provide identification when young people are moving towards independence.
Out of hours allowance	<p>A foster carer will be paid £40 per week if they agree to be on the out of hours list for emergency placements. The foster carer needs to be available at night (after 5pm) and at weekends to accept placements under an emergency arrangement. They also need to have a vacancy for a child and young person. The foster carers should be prepared to keep the child until plans are made to move them on.</p> <p>The out of hours rota is agreed each week by the Fostering Team Manager and will be adapted to reflect the changing profiles of the children and young people entering the care system.</p>

Other welfare benefits and housing benefit	<p>Foster carers cannot claim child benefit or other benefits for foster children and they cannot claim housing benefit allowances for foster children.</p> <p>Looked after children are not entitled to free school meals.</p> <p>Foster carers can contact the Department for Works and Pensions for advice on any benefit concerns or questions.</p>
Retainers	<p>A retainer (equivalent to the weekly fostering fee) will be paid for up to 3 weeks following the end of placement. This is only paid if the carer is available to take a placement.</p>
Retainers during an investigation	<p>Camden will pay the retainer (equivalent to the weekly fostering fee) for 12 weeks during an investigation until the investigation is finally completed.</p>
Setting up grant for new foster carers	<p>On approval a new foster carer will be given a setting up grant for furniture and appropriate equipment such as prams or pushchairs, cots, beds or desks for older children. This grant is for up to £500 and receipts will be required to outline how this money has been spent.</p> <p>If a foster carer's approval is changed to take on different age groups of children an additional furniture and equipment grant may be negotiated. These items must be agreed by the supervising social worker before the being purchased and receipts should be provided.</p>
School trips	<p>It is expected that foster carers fund school trips from the young person's fostering allowance.</p> <p>Foster carers should contact their supervising social worker for additional finance to enable the young person to undertake a major school field trip if the summer holiday allowance has already been used for a holiday for the child/young person.</p>
Summer holiday allowance	<p>Foster carers are expected to take foster children on a holiday in the United Kingdom or abroad each year. The summer holiday allowance is paid automatically in July. It can also be used to cover the cost of a caravan or holiday home which children use.</p> <p>It should not be used to finance 5 weeks of play schemes as carers are expected to spend time over the holidays with the children.</p> <p>If the carer does not take the child on any holidays, the supervising social worker may recommend that the allowance is used for other expenses for the child such as a school holiday.</p>

	<p>Additional expenses will be considered if all the other elements of the fostering allowance have been taken up in meeting the needs of the child.</p> <p>Travel insurance must be bought for the child by the carer if the holiday is outside the United Kingdom.</p> <p>For children aged 0 – 10 years the Summer Holiday allowance = £324</p> <p>For young people aged 11 – 18 years the Summer Holiday allowance = £414</p>
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6 Staying Put arrangements

The Children and Families Act 2014 introduced a duty on local authorities to facilitate, monitor and support Staying Put arrangements for fostered young people until they reach the age of 21 where this is what they and their foster carers want. Camden Council is committed to Staying Put arrangements and recognise the far reaching benefits that it provides to young people. This includes the continuation of care and support from a carer with whom they have a strong nurturing relationship so young people can progressively achieve independence. Ensuring that young people are able to experience the transition to adulthood in a way similar to other young people their age and do not leave their former foster family until they are ready to do so. And helping young people to maximise their opportunities for education, employment, or training.

Foster Carers providing a Staying Put arrangement will receive a payment for the provision of support and care and for the provision of accommodation. Upon reaching 18 years, young people will have their own income, either from wages from employment or an apprenticeship, or from income support and housing benefit if they are in further education or training. This income is taken into account when making the Staying Put arrangement. Young people are expected to make a contribution to the costs of the arrangement in the form of Rent and a contribution towards Food and Utilities

Under the Camden Staying Put policy carers will receive a Staying Put allowance of £301 per week at 18 years of age and £217 per week at 19 years of age (this includes the rent payable by the young person) for the duration of the arrangement. The young persons' own income will come from wages from employment or an apprenticeship or welfare benefits. The carer will not be expected to give money to young people.

Where young people are assessed as vulnerable and having additional support needs to be provided for by the foster carer, then a weekly allowance can be negotiated to be paid directly to the carer and will be reviewed every 6 months.

The Staying Put allowance comes in to effect from the date of the young person's 18th birthday.

The 16+ team will negotiate with carers the nature of the young person's occupation and whether the arrangement is a commercial arrangement where rent is charged. The 16+ service will provide a letter for carers and young people setting out how the allowance is broken down and what amount is being paid for rent, meals, support and utilities.

Any amount that covers rent can then be claimed as housing benefit where the young person is entitled to claim benefits. Payments will be made to the young person unless the 16+ team believes it is in the young person's best interests to make payments directly to the carer.

HMRC Advice sheet 236 sets out how staying put arrangements can be eligible for the same qualifying allowance with regard to taxable income as arrangements made for foster carers.

<http://www.hmrc.gov.uk/helpsheets/hs236.pdf>

Payments to carers under a Staying Put arrangement will not be considered when calculating mean tested benefits if the arrangement is considered non-commercial. If any contribution is made by the young person, either from their wages or housing benefits, this will be classed as income for the purposes of calculating means tested benefits.

The 16+ service will consider the carer's position in relation to benefits when deciding on the nature of the Staying Put arrangement in order to enable the carer's income.



7 Information on specialist fostering

Camden's specialist fostering scheme is for children young people who have very challenging behaviour and emotional needs and who would ordinarily be placed in a residential placement. It is widely acknowledged that residential placements are not the most appropriate resource for these young people as these placements often make the existing behaviour patterns worse. However, placing children and young people with experienced foster carers can help set boundaries around their behaviour and in turn help them to overcome their problems. Many of these young people will have experienced a traumatic childhood and may have a history of placement breakdown.

The Parent and Child Specialist Fostering Scheme enables and supports parents to develop their skills in caring for her/his child as independently as possible (using the scheme's structured Parenting Skills Development Programme). This involves the parent and their child moving into the foster carers home for a time limited period of assessment that is used to inform Court and care planning.

Specialist foster carers are paid a higher fee to reflect their increased level of experience and skills that allows them to offer reparative parenting to children with complex emotional and behavioural needs; or to work within the remit of the parent and child fostering scheme.

Specialist carers will need a number of years of previous experience of working with difficult young people who have complex needs. They are also expected to join in with the professional network in effecting and implementing the child's care and intervention plan. This may include preparing brief factual reports or input to the child's LAC review, court reports and any other assessment reports. Specialist carers must also be available on a full time basis for the child in their care and therefore are unable to be engaged in any other form of employment.

Specialist carers are assessed and recommended for approval by the Camden Fostering Panel and Agency Decision Maker.

8 Information on benefits

Foster Care Tax Relief

Foster Care Tax Relief allows foster carers to receive the first £10,000 in fees and also allowances up to £200 a week for a child under 11 years and £250 a week for a child over 11. Carers may pay tax on anything above this if they have already used their tax free allowance of £10,000.

Carers who are tax payers should check with HM Revenue and Customs as everyone's tax is different. Further advice on tax and benefits is also available from the Fostering Network's Fosterline on 0800 040 7675.

The HMRC Website also has comprehensive guidance on all of these matters:

<http://www.hmrc.gov.uk/individuals/foster-carers.htm>.

Attachment 1 to this document also provides further details on 'qualifying care relief'.

Carers can claim income or housing benefits for themselves and their own children and can choose either of the following options:

1. Foster carers can be treated as self-employed and claim Working Tax Credits - generally until the carer's youngest foster child reaches the age of 18. Any income paid in respect of fostering (up to a maximum of £10,000 per residence, plus £200 a week for each child under 11 and £250 a week for each child aged 11 or over) is disregarded for the purposes of calculating entitlement to tax credits, and claimants need not fulfil any work-related conditions.
2. Foster carers may also choose to claim out-of-work benefits paid by the Benefits agency. Again any income paid in respect of fostering is disregarded. However, depending on their circumstances and the age of the child they are caring for, a foster carer may be entitled to Income Support, Employment and Support Allowance, or Jobseeker's Allowance – each of which has different conditions attached to entitlement.
3. Lone foster carers may claim Income Support however they are treated differently to lone parents. While lone parents have been subject to changes which require them to be available for work at a progressively earlier time, lone foster carers, including those who are also lone parents, remain entitled to Income Support until the foster child you are caring for reaches 16.

Where foster carers are claiming benefits, they must declare any retainer fees to the benefit agency if there is no child in placement. There are new benefit proposals which may allow 8 weeks retainer fee to be disregarded in future.

- **Children's Tax Credit** can only be claimed in respect of the foster carer's own children.
- **Child Benefit** cannot be received for any child for whom the foster carer is receiving a foster care allowance.
- **Disability Living Allowance** can be claimed by the foster carer if they have a disability and for any disabled foster child whom they are looking after.
- **Incapacity Benefit** can be claimed by foster carers, but the Department of Works and Pensions may regard fostering as an indication that the carer is able to work. Foster carers should seek advice regarding this and consider appealing if it becomes a problem.
- **Working Tax Credit** can be claimed by foster carers even if they are one of a couple or a single person with no children of their own as long as they are over 25 and work at least 30 hours a week. Fostering allowances are ignored as income.

- **Carers Allowance** can be claimed by foster carers who are receiving at least the middle rate of the care component of Disability Living Allowance for a foster child. The carer will need to be regularly and substantially caring for the child (that is, caring for the child at least 35 hours per week); and must not be gainfully employed (that is, not having an income of more than £77 per week). Foster care allowances are ignored as income.
- **Pension Credit** can be claimed under the same rules as Income Support. However between April 2010 and March 2020 the pension age of women will be increasing so foster carers need to check what qualifies as 'pension age' at time of claim.
- **Contribution based Job Seekers Allowance** is not generally affected by fostering allowances. However, carers would need to be working less than 16 hours per week and, in addition to having a current Jobseeker's Agreement; you would need to show that they are still available for and actively seeking full time work. The Department of Works and Pensions could find that fostering duties prevent carers from meeting the qualifying conditions leading to a loss of entitlement to JSA. Foster carers must notify the Department of Works and Pensions immediately after a child leaves placement if they are in receipt of JSA as the eligibility rules recently changed under this scheme.
- **Incomes based Job Seekers Allowance** can be claimed by foster carers, but they would need to be available for work, capable of work and actively seeking work. Otherwise the rules are the same as for claiming Income Support. Foster carers must notify the Department of Works and Pensions immediately after a child leaves placement if they are in receipt of JSA as the eligibility rules recently changed under this scheme.

Foster carers are encouraged to keep up to date with any changes to benefit entitlements and must seek direct advice from the Department of Works and Pensions. The Camden Fostering Service is unable to provide advice or guidance around benefits issues as these matters are complicated and unique to each carers individual circumstances.

Spare room subsidy

From April 2013 Housing Benefit is based on the number of people in the household and the size of the accommodation. This applies to all working-age tenants renting from a local authority, housing association or other registered social landlord. The rules were announced in the Welfare Reform Act 2012.

The rules allow one bedroom for:

- every adult couple (married or unmarried)
- any other adult aged 16 or over

- any 2 children of the same sex aged under 16
- any 2 children aged under 10
- any other child (other than a foster child or child whose main home is elsewhere)
- children who can't share because of a disability or medical condition
- a carer (or team of carers) providing overnight care

One spare bedroom is allowed for:

- **an approved foster carer who is between placements, but only for up to 52 weeks from the end of the last placement**
- **a newly approved foster carer for up to 52 weeks from the date of approval if no child is placed with them during that time**

Rooms used by students and members of the armed or reserve forces do not count as 'spare' if they're away and intend to return home.

People who have recently suffered a bereavement in their household may also be entitled to additional bedrooms.

This means those tenants whose accommodation is larger than they need may lose part of their Housing Benefit. Those with one spare bedroom will lose 14% of their eligible rent and those with 2 or more spare bedrooms will lose 25%.

For more information on the spare room subsidy visit:

<https://www.gov.uk/government/collections/local-authorities-removal-of-the-spare-room-subsidy>

9 Information on insurance

Foster carer's insurance requirement

As a foster carer it is very important that your insurance policy covers your foster children. When you become a foster carer with Camden you must inform your Home and Motor insurance company that you foster. You should also take the time to understand and be clear about how fostering children will affect your existing policy or a new insurance policy that you may apply for.

All children fostered by you must be included in your insurance policy.

Insurance companies will, for the purposes of the policy, include foster children as members of your family. The Fostering Network recommends that you ask your insurance company for written confirmation that they have included your foster children on your policy and ***this view is endorsed by Camden Fostering Service.***

Camden Fostering service strongly recommends that Camden foster carers have the following cover:

1. Household and contents insurance cover (Camden council tenants can buy this from Housing)
2. Buildings insurance for owner occupiers
3. Fully comprehensive motor vehicle insurance to keep within the law, including a valid licence and MOT
4. Holiday insurance for foster children's holidays abroad

It is essential that you discuss with your insurance company what cover you require and what will be suitable for you as a foster carer.

It is in your interest to make sure that you have the appropriate insurance cover.

Household, buildings and contents insurance cover

The key areas in relation to home insurance are accidental damage, malicious damage and theft and physical attacks by a foster child.

The standard cover on most insurance policies does not cover you for **accidental damage** within the home caused by a foster child or your own children. Your home insurance policy is likely to contain restrictions relating to damage caused by children that you foster. It is important that you inform the insurance company about any accidental damage in order that they can record the information on their records.

Foster carers are advised to purchase cover for any of their own children who are 18 and over and live at their home or they will not be covered.

As foster carers there will be a number of professionals or families visiting your home. As a homeowner you could be liable for damages caused to visitors to your

home if you have failed to take reasonable care to make sure that any visitor is safe. All policies, which include contents insurance, should automatically provide cover for any legal liabilities you have as the occupier of your home, for yourself and any other member of your family living with you. **Please check with your insurers.**

You can discuss with your insurance company how you can apply for accidental damage cover.

Damage to your own property by malicious persons is normally covered by a household insurance policy but most policies exclude deliberate damage and theft caused by any member of your family or anyone permanently residing with you which would include foster children. You must inform Camden council of any deliberate damage or theft by foster children.

Foster carers should insure their buildings and contents for the full replacement value including the value of the personal effects of any foster child residing with them. Your policy needs to be sufficient to meet the replacement costs in the event of any loss or damage.

Motor vehicle insurance

Camden foster carers must comply with the law in relation to motor insurance and inform their insurance company that they are fostering children. The insurance company should be asked to provide you with written confirmation that you have informed them that you are fostering.

The Transport Act and the Road Traffic Order 1995 state that seatbelts must be fitted to all cars under a certain age in both the front and back. It is the drivers' responsibility to ensure that any person travelling in the car wears a seatbelt. Vehicles must also carry the same number of passengers as it has seatbelts. If an accident occurs and the vehicle contained more occupants than seatbelts then insurers may not be in a position to help with a claim. Foster carers must also ensure that cars are fitted with car seats appropriate to the age and height of the child that they are transporting.

It is important that the motor insurance applied for matches the allowed use of the vehicle. Any changes to the use of a vehicle may mean that you are not covered for that change. Foster carers who escort other LAC who are not placed with them will require business insurance and this insurance can be provided by their insurance company for a small charge.

If you do not have a full licence or tax disc your insurance will be treated as invalid and you would be breaking the law.

Camden Council's insurance policy

Camden Council has a duty to provide you with information about its insurance arrangements as they relate to fostering. This section will provide you with general information regarding those arrangements in relation to household insurance and motor vehicle insurance.

Household buildings and contents cover

Where a foster carer is not covered by their insurance policy, because damage by a foster child was caused deliberately, or where there is excess payment on the policy, consideration will be given by the department to meeting those costs. Foster carers must provide the following information to the Fostering Service:

- Written records of the incident, including time, date, details of loss/damage and any witnesses. Receipts should be attached if possible.
- Copy of the insurance company's response to the insurance claim.
- Written estimate of the cost of the damage-or receipt if the damage has already been repaired.
- The theft or loss should be reported to the police and you must keep a record of the police incident number.

The supervising social worker will discuss the claim with the foster carer and then make a recommendation to the fostering team manager, the Service Manager and the Camden Insurance Section.

Motor Vehicle insurance cover

The council's insurance does not cover damage to foster carers own vehicles. In the event of a claim causing the loss of a 'no claims bonus' or increased annual premiums because of action directly attributed to a foster child, the foster carer should provide full details in writing to the supervising social worker who will discuss the claim with the Fostering Manager. Financial assistance will only be agreed in exceptional circumstances.

Insurance through the Fostering Network

Camden Fostering Service pays for all its foster carers to be individual members of the Fostering Network. This membership includes insurance cover for foster carers in respect of legal advice and legal expenses in certain circumstances. The Fostering Network insurance policy covers:

- Free legal advice in connection with possible legal action.

- Legal expenses, in some circumstances, for the foster family for criminal prosecution brought against them for the mistreatment or abuse of the foster child placed with the family.
- Access to a 24-hour legal advisory service for individuals or families.

The Fostering Network also has a legal expenses insurance scheme which pays for the cost of any criminal prosecution brought against the Fostering Network member or retired member and his or her parents, husband, wife or partner and their children, all of whom are permanently resident within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man. The majority of civil claims are not covered by the policy but the Fostering Network will refer the matter to the underwriters upon request.

Legal expenses for criminal prosecution will only be paid on a 'not guilty' plea and if the solicitor acting for you feels that you have a good chance of success. In those situations claims would be paid even if a finding of guilty were made.

For more information please contact the Fostering Network or look online at www.fostering.net for their downloadable copy of the Legal Protection Insurance User Guide.

Public liability cover

Camden Council covers its carers in the case of public liability on the basis of a legal obligation and only if your own insurance will not cover you in the event of accidental injury or damage to property. This is to a maximum of £50m for a single claim.

Insurance checklist for foster carers

- It is essential as a foster carer to have adequate home insurance cover
- Always inform your insurance company when you become a foster carer
- Always ask your insurance company to confirm in writing that your insurance policy regards any children looked after as members of your family.
- Always remind your insurance company when you renew your insurance policy that you foster.
- Don't forget if you change your insurance company you must inform the new company that you foster
- Always tell your insurance company the maximum number of children you are likely to foster at one time and their ages
- Always inform your insurance company if you consider there are any issues involving the foster child.

- Please seek advice from the fostering manager regarding confidential information to be shared with insurance companies in respect of children looked after
- Check whether your insurance policy has an indemnity or replacement policy. The cover should be sufficient to cover replacement costs

Foster carers can receive independent Insurance advice from the Fostering Network and Fosterline.

10 Financial overpayments

All overpayments made by the Department will always be recovered in full except in exceptional circumstances. Foster carers should check their payments and remittance advices each week to ensure that they are right. In the event of an overpayment they should contact their supervising social worker or the Fostering Team Duty to discuss how to return the overpaid monies. Ideally any overpaid money would be returned in full immediately. However in exceptional circumstances or in cases of financial hardship the Camden Fostering Service will negotiate a payment arrangement to recoup these funds within a maximum 12 month timescale.

The Camden Fostering Service has included an overpayment agreement to this document which all approved carers are expected to sign. It outlines expectations in relation to overpayments and timescales. In the case of existing approved carers, your supervising social workers will discuss this document with you during their next visit and ask you to sign the form to return. All newly approved foster carers will be asked to sign this agreement at the time of their approval.

Fostering Service

Agreement to Repay Overpayment of Fostering Maintenance Allowances and Reward Fees Form

1. I/We.....(FULL NAME).....have read these documents and in consideration of the Fostering Maintenance Allowance and Professional Fees paid to us/me as an authorised carer for the London Borough of Camden. I/we agree to repay any part of the Allowance/Fees payments made to me/us on behalf of the child/children/young person(s) in my/our care to which it transpires I/we was/were not or should not have been entitled for any reason whatsoever even if due to:-
 - (i) Any mistake or error in the calculation of the Allowance/Allowances.
 - (ii) A failure of any employee of the London Borough of Camden in providing correct and timely information in respect of placement details.
2. I/We acknowledge that I/We am/are hereby bound to repay any Maintenance Allowances and Reward Fees reclaimed by the London Borough of Camden
3. Overpayments will be recouped in the following manner:
 - Initially from any professional fee payments due
 - Within 12 months of the overpayment

(In exceptional circumstances, should this method of repayment cause financial hardship, individual cases can be discussed with the fostering manager)

Full Name and Address (including Post Code)

.....

.....

Signed.....Foster Carer/s

Signed.....Supervising Social Worker

Date.....

This form **MUST** be signed in the presence of the Supervising Social Worker and a copy should be retained for the carer's records.

Attachment 1 - INFORMATION FROM THE HM REVENUE AND CUSTOMS

Since April 2003, ALL foster carers have been treated as self-employed (including foster carers who provide respite care). At this time, HM Revenue and Customs (HMRC) introduced a specific tax scheme for foster carers ('foster care relief'). In April 2010, foster care relief was extended and renamed 'qualifying care relief'. This allows foster carers to receive payments from their fostering service up to a certain level (called your qualifying amount), without being liable for tax.

The qualifying care relief covers foster care, shared lives care (formerly called adult placement), staying put care (where a young person who was fostered remains past their 18th birthday), and parent & child care.

Many foster carers have little or no taxable profit from fostering, because the qualifying care relief is generous. However, a foster carer needs to do a simple calculation at the end of each tax year to find out what their qualifying amount is for the tax year and whether they have any taxable profit or not.

The calculation is as follows:

STEP 1

Work out your tax-free 'qualifying amount' by adding together two elements:

A basic element of £10,000 per household per tax year on the basis the foster carer has been approved for the whole of the tax year (or pro rata for foster carers newly approved part-way through the tax year)

Plus

A child element, for each week (or part week) a child is placed with you of:

£200 per week per child aged under 11

£250 per week per child aged 11+

Example: child aged 8 is placed for a full year (6th April to 5th April). Basic element £10,000 plus child element £200 x 52 weeks i.e. £10,400 therefore TOTAL qualifying amount £10,000 + £10,400 = £20,400

Note that a tax week runs from Monday-Sunday, so if a child arrives on a Thursday and leaves on Tuesday that counts as two 'weeks'.

STEP 2

Work out your total payments from your fostering service for the tax year (6th April to 5th April). This is everything paid to you by your fostering service including fostering allowances, fee or reward payments, holiday or birthday allowances, mileage and any other expenses. Your fostering service should give you a statement after the 5th April, showing your total payments for the year.

WORKING OUT IF YOU HAVE ANY TAXABLE PROFIT

Now work out your profit – by deducting your ‘qualifying amount’ from your total payments from your fostering service provider.

If the qualifying amount is more than the total payments from your fostering service, the profit is zero.

If a foster carer has a taxable profit from their fostering they might still not have to pay any tax if they have not used their personal tax allowance (for example, if they foster full-time and have no other employment). Every UK resident has a personal tax allowance which may vary with their circumstances. This is the amount of income you can receive each year, including any taxable profit from fostering, without having to pay tax on it. The Personal Allowance for most people born after 5 April 1948 for 2014/15 is £10,000. This allowance is how much taxable income you can have before you start paying Income Tax.

You may be interested to pre-order our Signpost Booklet ‘Income Tax & National Insurance: information for foster carers 2015/16’. As members with us you can purchase the booklets at the discounted price (£2 for hard copy). More information can be found at the following link <http://www.fosteringresources.co.uk/?pid=330>

You can find more information about tax and national insurance on our website at the following link http://www.fostering.net/all-about-fostering/foster-carers/finances/income-tax#.U80Qbcsg_cs

You can view HMRC's help-sheet 236 at the following link <https://www.gov.uk/government/publications/qualifying-care-relief-foster-carers-adult-placement-carers-kinship-carers-and-staying-put-carers-hs236-self-assessment-helpsheet>

You can view HMRC's e-learning package for foster carers at the following link <http://www.hmrc.gov.uk/courses/syob2/fc/index.htm>

Normally every month HMRC hold a ‘webinar’ (a ‘live’ presentation you can watch and participate through your computer). The details of the next webinar for foster carers and self-employment including how to register can be found at the following link <https://www.gov.uk/government/news/webinars-emails-and-videos-if-youre-self-employed>

NATIONAL INSURANCE

When you register as self-employed you also register for Class 2 National Insurance (NI) contributions. Foster carers have a number of options about how they wish to pay this Class 2 NI:

- Qualify for the **Small Profit Threshold (SPT)**. If a foster carer has no taxable profit from their fostering, or if they have taxable profit (the amount over the threshold) by

up to £5,965 automatically they will not have to pay Class 2 NICs. Foster carers can make a voluntary contribution if they want to if their National Insurance record is not complete.

- Pay them (tax year 2015-16 they are £2.80/week)
- NI credits – foster carers can apply for a NI credit for each week they are approved as a foster care. Foster carers can apply for NI credits at the end of each tax year and they have one year to do so. There is a form they will need to complete and will require a letter from their fostering service to confirm they have been approved for the tax year. A NI credit will count towards your NI record.

The option you choose from above will depend on your individual circumstances and whether you have a full NI record or not.

INCOME SUPPORT AND FOSTER CARERS

Single foster carers can claim Income Support (IS) if they are caring for a foster child under the age of 16 years old. The relevant regulations are:

The Income Support (General) Regulations 1987, Schedule 1 (2)

You can view the regulations at the following link:

<http://www.legislation.gov.uk/ukxi/1987/1967/schedule/1/made>

The Decision Makers Guide (DMG) DWP decision makers on decision making and appeals in respect of welfare benefits. The following DMG Guidance, paragraph 20104 states:

LONE FOSTER PARENTS

20104 Single people or lone parents can get IS if they have a child placed with them under arrangements made with:

1. a Local Authority **or**
2. voluntary organization¹.

This only applies until the child reaches the age of 16.

1 IS (Gen) Regs, Sch 1B, para 2; Children Act 89

You can view the DMG at the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/419792/dmgch20.pdf