

Policy for the Calculation and Payment of Special Guardianship Allowances

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Eligibility for an Allowance

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.
- 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 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.
- 1.5 The actual amount payable by way of Special Guardianship Allowance will be determined using a means-testing model developed by the Department for Education¹.
- 1.6 The overall approach used is for Council to establish a 'snapshot' of the Special Guardian's current financial circumstances by way of completion by the Special Guardian of a self-assessment form of their circumstances and the provision of appropriate evidence in support. Of note, if a child subject or planned to be subject to Special Guardianship is not in the care of the prospective Special Guardian, then Child Benefit and Child Tax Credits for that child will not be included in the calculations. Where the calculation is a review and/or the child is already living with the Special Guardian, then Child Benefit and Child Tax Credits for that child should be included within the calculations.
- 1.7 The following Table details assessable income and outgoings that will be considered by the Council in determining eligibility:

Assessable Income

Pay	Evidence
<p>Salary/Wages</p> <p>Average net weekly income before deductions for savings schemes, social clubs.</p>	<ul style="list-style-type: none"> • 2 wage slips if paid monthly; • 6 wage slips if paid weekly.

¹ [DfE Means-Testing Model for Special Guardianship Financial Support.](#)

The income figure will exclude payments into pension funds.	
<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.
<p>Overtime/Bonus</p> <p>This can include overtime, fees, commission, gratuities</p>	<ul style="list-style-type: none"> • Wage slips; • 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; • Incapacity Benefit; • Statutory maternity, paternity and/or adoption pay and/or maternity allowance; • Bereavement Benefit. 	<ul style="list-style-type: none"> • Wage slip; • Notification from DWP; • Correspondence from DWP/employer; • Notification from DWP.
State, Occupational and/or private pensions	<ul style="list-style-type: none"> • Statement from pension provider; • Bank statement.
Working Tax Credit	<ul style="list-style-type: none"> • Award notice from DWP.
Benefits (payable to the family and other children)	<ul style="list-style-type: none"> • Evidence

Child Tax Credit (children of Special Guardian) - where a childcare element is paid this (element) is disregarded	<ul style="list-style-type: none"> • Award notice from DWP.
Child Benefit (children of Special Guardian)	<ul style="list-style-type: none"> • Correspondence from DWP; • Bank statement.
Housing Benefit - disregarded	<ul style="list-style-type: none"> • Award notice from Local Authority.
Wages, Income Support or Jobseekers Allowance - where this is in respect of a family member young person under 18 years of age this should be disregarded on the basis that parents usually subsidise young people even if they have an income of their own.	<ul style="list-style-type: none"> • Correspondence with DWP.
Other Sources of Income	Evidence
Capital - This includes savings, investments, financial plans that provide income. The assessment procedure provides a formula to calculate the weekly income derived from capital.	<ul style="list-style-type: none"> • Bank statements; • Statements of holdings of shares; • Savings accounts.
Income from Boarders & Lodgers - for formula used to calculate eligible income Disregard family members less than 18 years of age.	<ul style="list-style-type: none"> • Rent Book.
Income from unfurnished rented property Deductions can be made for: <ul style="list-style-type: none"> • Interest payments on mortgage (not capital payments); • Repairs; • Council tax (if paid by family being assessed); • Agents fees; • Insurance (Buildings). 	<ul style="list-style-type: none"> • Tax return prepared for Inland Revenue; • Bank statements.
Income from furnished rented property As above but an extra 10% deduction can be made from rent as "wear & tear" allowance.	<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	<ul style="list-style-type: none"> • Bank statements; • Statements of holdings of shares; • Savings accounts.
Payments from Criminal injuries and/or	<ul style="list-style-type: none"> • N/A
Medical Compensation Awards - exempt	

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; • Correspondence/statements from endowment provider.
Rent - amount payable after deduction of Housing Benefit	<ul style="list-style-type: none"> • Rent book; • 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 usually apply to loans taken out at the start of the placement. 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.	<ul style="list-style-type: none"> • Correspondence /Statement from Loan provider.

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

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. 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 the Special Guardian's disposable income is calculated to be higher than £0.00, the Special Guardians have provided evidence that they have some means to accommodate some or 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. The amount of disposable income evidenced will determine the amount to which the Special Guardians will be entitled by way of an Allowance. 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 the Allowance a Special Guardian is entitled to.
- 1.11 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.
- 1.12 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 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

1.13 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 Contact.

1.14 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. Accordingly, any additional costs of this nature may be reimbursed, subject to the discretion of the Service Manager.

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

- 1.15 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.
- 1.16 Exceptional transport costs related to the promotion of contact and other associated exceptional costs relating to the promotion of contact are not expected to be paid by the Special Guardian from the amount paid by way of an Allowance. Exceptional contact arrangements and costs are expected to be detailed within the Support Plan. The Council will then pay these additional costs. A Special Guardian should not however enter into any commitment to pay exceptional contact costs without prior, written agreement to reimbursement having been given by the responsible Senior Manager. Costs of transporting to and from contact within the Borough, hosting contact 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

- 1.17 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.
- 1.18 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 Allowance 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 Allowance the Special Guardians previously received as Foster Carers.
- 1.19 The amount payable will reduce during the two year period as follows (unless, having regard to the exceptional needs of the child or any other exceptional

circumstances, the responsible Senior Manager considers that no reduction or a more gradual reduction is necessary):

- | | |
|--|-------------------------------|
| <input type="checkbox"/> 0-12 Months | 100% of any fee element paid |
| <input type="checkbox"/> 12-24 months | 50% of any fee element paid |
| <input type="checkbox"/> 24 months onwards | No payment of any fee element |

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

1.20 Where a Special Guardian's immediate 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.

1.21 Where the Council offers an additional payment in exceptional circumstances, a clear written agreement will be drawn up so all parties are clear about the intended purpose and use of the payment.

Review of Special Guardianship Financial Support

1.22 The Council will review the financial support paid to a Special Guardian 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
- On an annual basis; or
- At any point the Council considers it would be appropriate to do so

1.23 Reviews are undertaken by the Finance Section of the Placement Service. 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.

Suspension of Financial Support

1.24 Payments may be suspended by the Council when:

- The Special Guardian has failed to notify the Council of any significant change of circumstances; or
- The Special Guardian has not responded within 28 days of request by the Council for information required as part of the Annual Review process; or
- The Council has reasonable cause to suspect that the Special Guardian may be making a fraudulent claim for the allowance.

1.25 Where a payment is suspended, 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. Any decision to reinstate payments will be notified in writing. No back payments to cover the period of suspension will be made unless it can be shown that the Council acted in error in making the suspension.

1.26 Where fraud is suspected, the responsible Senior Manager will decide whether to refer the matter to the Police.

Ending of Financial Support

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

- The child no longer has a permanent home with the Special Guardian; or
- 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.

1.28 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.

Conditions of Payment of Financial Support

1.29 If it is agreed that financial support is to be paid by the Council, Special Guardians must comply with the following conditions:

- That the Special Guardian informs the Council if they change their address; or
- That the Special Guardian informs the Council if the child dies; or
- That the Special Guardian informs the Council if there is a significant change in their financial circumstances or the financial needs or resources of the child; or
- That the Special Guardian completes and returns within 14 days any request by the Council for information detailing their financial circumstances.
- That the Special Guardian uses the financial support for the purposes intended by the Council