



**BEDFORD**  
BOROUGH COUNCIL

# **PAYMENT OF FEES & ALLOWANCES SCHEME FOR FOSTER CARERS**

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## **Introduction**

This document outlines the scheme of payment of fees and allowances to Foster Carers for Bedford Borough Council. A Foster Carer is any person(s) approved as a Foster Carer(s) or Connected Person (previously family & friends carer) by Bedford Borough Council Fostering Panel.

Foster Care has changed significantly in recent years, with a particular shift from a “volunteer” Foster Carer workforce to an increasingly professionalised service to children and families with Foster Carers playing a key role in the team around the child.

There are clear expectations of Carers in relation to training and skills and the take up of support services. These are detailed in the National Minimum Standards for Fostering Services 2011. Our service will support you to meet these requirements.

Foster Carers not only care for the child but are also a pivotal part of the team to meet the needs of the child in their care. As such Bedford Borough Council recognises the demands and the increasing professionalisation of Foster Care and our payment structure reflects this reality.

The payment scheme is a demonstration of our commitment to retain and recruit skilled and experienced Foster Carers as well as recognise and reward them as essential members of the team around the child.

This document should be read in conjunction with Foster Carers Tier Progression Document (April 2015).

For Post 18 arrangements please refer to Staying Put Policy available by going to <http://www.proceduresonline.com/bedfordborough/childcare/>

## **Principles for the Foster Care Fee Payment Scheme**

The following principles underpin the payment scheme.

It is simple, fair and easy to understand.

It enables Bedford Borough Council to be competitive with other local fostering agencies.

It recognises the complex task of fostering other people’s children.

It will be subject to on-going consultation with Foster Carers and reviewed in January 2017.

## **1 Definitions**

- 1.1** Bedford Borough Council's scheme has four tiers each of which has specific requirements. The first tier (Standard Tier) generally applies to connected person Foster Carers and there is no progression within this tier.

Foster Carers are able to move from Tier One to another tier if they meet the requirements and competencies for the next tier. If an annual assessment shows that the Carers have not met the requirements of the tier on which they are placed, their level will be reassessed. The Foster Carers Tier Progression Document gives further details about this process.

Fees (where applicable) and allowances are paid for each child in placement.

- 1.2** No skills fee is payable to Standard Tier Foster Carers but they will be paid 110% of the Fostering Network Recommended Allowance.

This level applies to Carers who are wishing to foster a specific child (ren), and will only be approved for that child (ren) i.e. a Connected Person's Carer (previously also known as Friends and Family Carers). The Standard Tier Level will also apply to any approved Carers who have decided that they do not wish to receive a fee for their fostering.

- 1.3** Tier One Foster Carers are paid a Tier One fee for each child in placement and paid at 100% of the Fostering Network Allowance per child.

This tier applies to Carers who are willing to foster any child (ren) that the Council may wish to place with them.

Fee payments are made during the period when a child is in placement.

Requirements for this tier are set out in the Tier Progression Document (April 2015.)

- 1.4** Tier Two Foster Carers are paid a Tier Two fee for each child in placement and paid 100% of the Fostering Network Allowance per child.

This tier also applies to experienced Carers who are willing to foster any child (ren) that the Council may wish to place with them.

Fee payments are made during the period when a child is in placement.

Requirements for this tier are set out in the Tier Progression Document (April 2015.)

- 1.5** Tier Three Foster Carers will usually only have one child in placement. Carers in this tier are paid at 100% of the FN Allowance.

Fee payments are made for 52 weeks of the year.

If a Tier Three Foster Carer has a vacancy they will be expected to provide a

respite placement which meets the criteria of Tier Three.

Requirements for this tier are set out in the Tier Progression Document (April 2015)

- 1.6** Foster Carers are paid an allowance to meet the needs of the child (ren) or young people they are looking after. All Carers irrespective of their tier will receive an allowance for any child in placement.

## **2 How and when payments are made**

- 2.1** Once approved, Foster Carers will need to fill in a form giving their bank details. This will be forwarded to a Finance Officer. Carers will then be paid via bank transfer on a fortnightly basis.

The fortnightly pattern is likely to be varied over the Christmas and New Year period. We will in the near future be consulting with Foster Carers regarding a possible four week payment period, to enable payments to be received before the Bank Holiday.

## **3 Carers Holiday**

- 3.1** Tier One and Tier Two Foster Carers will be able to take a maximum of two weeks paid holiday in any financial year when a child is in placement. If a Carer takes holiday when a child is in placement the fee will continue to be paid. The allowance for the child will be paid to the respite Carer (pro-rata). It is expected that any holiday would be identified at least 28 days in advance so that planning for a respite placement can be undertaken.

If children accompany Foster Carers on holiday the fee and allowance will continue to be paid as the child is in placement.

- 3.2** Tier Three Foster Carers will be able to take a maximum of four weeks paid holiday in any financial year. If a child is in placement the fee will continue to be paid. The allowance for the child will be paid to the respite Carer (pro-rata).
- 3.3** When a child is placed, the child's Placement Plan should include pre-existing arrangements that need to be made for Carers' holiday and advance notice of this (ideally 28 days) should be communicated to the supervising Social Worker.
- 3.4** Arrangements for paid holiday need to be discussed and agreed with the supervising Social Worker in advance. It is always preferable when a child is in placement that they accompany Foster Carers on holiday. Foster Carers are able to make alternative arrangements for any child in placement in accordance with the delegated authority agreement for that child (e.g. within a Foster Carers support network or extended family).

## **4 Sessional Fees and Retainers**

- 4.1** There may be some specific circumstances when additional support may be required by a Foster Carer, arranged through the Fostering Team. This may

be to support another carer or to keep a placement open (for a fixed period) after a child has moved.

This will be agreed through the Fostering Team, in advance, with the child's Social Worker. Payments will be agreed by the Fostering Team Manager and will be set on an individual basis.

## **5 Complaints and Allegations**

- 5.1** Generally, a child should not be moved due to an allegation. In the event this occurs or no placement is made due to an allegation, complaint or concern having been raised, the allowances will cease to Carers. At the Authority's discretion a fee may continue to be paid to Carers. This will be considered on an individual basis. Consideration will be given to fees being paid based on the number of children in placement at the time of the alleged incident.
- 5.2** The decision to pay a fee during a dispute will be made on a case by case basis by the Fostering Team Manager in conjunction with the Head of Service for Looked After provision. Foster Carers will be informed of this authorisation by the supervising Social Worker and/or Fostering Team Manager at the earliest opportunity. This will be followed up with written notification from the Fostering Team Manager.
- 5.3** The payment of fees during an investigation is a supportive measure to ensure that the Foster Carer is not financially disadvantaged during this period.

## **6 Equipment**

- 6.1** When Bedford Borough Council newly approves a Foster Carer, we appreciate that a certain amount of equipment is required in order for them to undertake the fostering task. Bedford Borough Council does not have an unlimited budget but is prepared to fund certain equipment, if the Carer does not already possess what is needed.
- 6.2** Each Carer is to be allocated a maximum amount for what we consider to be basic equipment/furniture. If Carers require something specific e.g. a more expensive item to fit in with furniture they already have, we would expect them to fund the difference.
- 6.3** For Carers approved to take babies, Bedford Borough Council will provide up to £500 initially to cover the purchase of essential equipment. The purchase of items such as bottles, teats, milk formula should be made from the allowance provided for the child.
- 6.4** For Carers approved for children aged 3 - 18 we will provide up to £400 per number of placements approved to cover the purchase of essential equipment.
- 6.5** On approval Carers will be expected to provide a list of what equipment they need, together with a breakdown of the cost per item. This will need to be agreed by the Fostering Team Manager before purchasing. If purchased by a Carer, copies of receipts should be submitted with an Expenses Claim

Form to your supervising social worker for the fostering team manager to audit. The payment will be made via bank transfer.

- 6.6 The Fostering Service will be responsible for providing new cot mattresses as required, bearing in mind the recommendations that a new mattress should be provided for each new baby.
- 6.7 Foster Carers should keep an inventory of any furniture purchased, including receipts and guarantees. This will assist in any request for replacement items.
- 6.8 When a Carer's approval is changed either to extend the age range or to increase the numbers they should discuss with their supervising Social Worker what (if any) extra equipment they need. This should be itemised and costed with a breakdown presented to the Fostering Team Manager for approval as above.

## **7 Replacement costs for equipment**

- 7.1 If equipment needs to be replaced due to accidents or deliberate damage by a Foster Child it would be expected that the Foster Carer will first make a claim on their own insurance cover. If this is not accepted, please see section 12 below for more details.
- 7.2 For normal wear and tear Fostering Network advises that replacement should be met by the Carer. If, however, there is excessive wear and tear due to particular circumstances, this cost may be met by the Fostering Service e.g. a large number of short term placements.
- 7.3 Any requests for replacement equipment should be discussed with your supervising Social Worker before purchase. These requests will then be considered by the Fostering Team Manager.

## **8 Fostering Allowance Structure 2015-2016**

- 8.1 Bedford Borough's Fostering Allowance from 5<sup>th</sup> April 2015 is linked to the Fostering Network's recommended Fostering Allowance.

Bedford Borough Council Foster Carers receive an allowance that reflects the Fostering Networks Annual Recommendations. This is paid to Foster Carers to cover all costs in relation to looking after children and young people.

The Allowance Payments for 2015 -2016 are attached (Appendix A).

Fostering Network gives clear guidance around the breakdown of these costs. A percentage guide is included below.

Age	Food	Clothing	Transport	Personal (including pocket money and savings)	Household	Total
0-4 years	30.9%	20%	7.3%	14.6%	27.2%	100%
5-10 years	29.1%	23.6%	6.4%	16.4%	24.5%	100%
11-15 years	29.1%	23.6%	10%	18.2%	19.1%	100%
16+ years	27.3%	23.6%	8.2%	24.5%	16.4%	100%

Young people aged 18 plus will be subject to individual plans and discussions in accordance with the Staying Put Arrangements .

- 8.2** The clothing component of the allowance is expected to cover the clothing needs of any child in placement. This should also include specialist clothing for any specific activity or leisure pursuits in which the child participates (e.g. Cub/Brownie uniforms, karate suits, football kit).

It is advisable that Foster Carers complete an inventory of the child's clothes and possessions on arrival. This can be updated with purchases made by the Carer. Any receipts or guarantees should also be kept in the child's file.

It is expected that in order to encourage young people to develop budgeting skills that they should be given more responsibility for spending some or all of their clothing allowance. Obviously their basic needs must be met, e.g. underwear, shoes, school uniform, but once these things are purchased the young person should be allowed to purchase their own clothes. It is expected that Carers should monitor this by seeing receipts or at least verifying that clothes have been bought.

The amount and use of this agreed sum will differ between individuals and should be set out in the child's/young person's Placement Agreement and be agreed by the Foster Carer, supervising Social Worker and the child's/young person's Social Worker.

Following discussion with the supervising Social Worker and child/young person's worker, if it is assessed that the child/young person has sufficient clothing, the allowance should be placed in a savings account for future needs. This should also be discussed with the child/young person depending on age and understanding.

- 8.3** Some contribution is included for transport costs. This would be expected to cover transporting of children to activities, meet friends etc. Mileage for any essential journeys undertaken as a direct result of the fostering task (transport to contact, school minus three miles each way and hospital appointments etc.) can be claimed via a Foster Carers Expense Form.

Receipts for petrol (or copies where Foster Carers need to provide receipts for their own business purposes) need to be submitted with each Mileage



Claim Form.

Mileage is currently paid at 46.9 pence per mile (NJC rates).

- 8.4** The personal allowance is designed to meet a variety of personal needs of any child, as well as cover pocket money and savings.

It may be used for the older age group to cover, for instance, the cost of hair care products, phone cards or personal telephone calls. For the younger children it may be used to cover the cost of leisure activities such as swimming or dancing lessons, learning a musical instrument, magazine subscriptions etc. This is not an exhaustive list and it is generally expected that the cost of all leisure activities is budgeted for from this element of the allowance.

Suggested amounts for weekly pocket money are:

<b>Age</b>	<b>Suggested Weekly Amount</b>
0-4 years	£4.00
5-7 years	£4.70
8 years	£5.00
9-10 years	£5.70
11 years	£6.00
12 years	£7.00
13 years	£8.00
14 years	£9.00
15 years	£11.00
16+ years	£12.00

The pocket money given to spend should be realistic depending on the age of the child and to maintain equality within the fostering household. Children can be encouraged to 'save' their pocket money to buy special items as well as for treats such as sweets, CD's, or games. If the full amount is not directly given to the child in cash value, or used for a specific activity, then it is expected that this is saved additionally to regular savings.

- 8.5** Foster Carers are expected to open a savings account for any child in placement who does not already have one. The money saved in that account is for the future needs of the child or young person, when they move onto independence or leave care to return to their birth family. Carers will pay into the child's savings account on a regular basis, at least monthly, the amounts set out below:

<b>Age</b>	<b>Suggested Amount</b>
Up to 10 years old	£10.00 per week
11 – 15 years old	£15.00 per week

16 + years old	£20.00 per week
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This is requirement of all Foster Carers and may be reviewed at a child's or Foster Carers review.

Wherever possible, a bank account should be opened for children who are Looked After. If this is not possible regular savings supported by a spreadsheet/other proof of regular deposits should be provided.

- 8.6 Details of any savings and account information should be given to the child's Social Worker when a child moves placement.

## 9 Additional Payments

- 9.1 An emergency clothing allowance is a one off payment made when a child first enters care and has extremely limited clothes and possessions. This would be agreed by the child's Social Worker and the Fostering Team Manager after confirmation that there are no additional clothes or possessions available to the child.

It may be paid in part, or in full at the discretion of the Fostering Team Manager. For babies and younger children it may be beneficial to stagger any agreed sum so that part is paid at the start of the placement and an agreed part paid later (e.g. after three months when a child may have grown considerably).

The maximum payment for each child where this is agreed would be up to:

Age	Maximum Payment
0-4 years	£142.86
5-10 years	£162.73
11-15 years	£202.58
16+ years	£246.44

This payment must be agreed by the Fostering Team Manager before any clothing is purchased.

- 9.2 Birthday and Festival Allowance is a one off payment automatically paid for any child's birthday and Christmas (or alternative Faith festival such as Eid). This is provided to purchase a gift or gifts and to provide a contribution towards the cost of a celebration.

This is equivalent to one week's additional allowance for each child.

- 9.3 School Uniform Allowance may be paid when a child has a move to a new school, or first starts school or paid employment. It is expected to cover the costs of any uniform specific to that school, such as a blazer or sweater with specific school emblems.

In the case of employment it would be paid to ensure that any young person has suitable clothing or specialist work uniform (such as safety boots, chef

whites etc.).

All or part of the sum may be paid at the discretion of the Fostering Team Manager. The amount payable would need to be agreed in advance of payment being made.

The maximum payment would be:

<b>Circumstance</b>	<b>Maximum Payment</b>
Change of School (under 16)	Up to £200.00
Change of School (over 16)	Up to £300.00
Starting Work (over 16)	Up to £300.00

- 9.4** Rites of Passage may be paid for the purchase of gifts or ceremonial clothing when a child participates in a formal ceremony that celebrates or symbolises entry into full membership of their religion (e.g. baptism, Bar or Bat Mitzvah).

Up to £60.00 may be paid towards this.

- 9.5** Prior to the fee scheme being introduced by Bedford Borough Council there was a variety of other additional payments made to Carers for a variety of reasons. These were payments made in recognition of the “volunteer” status of Foster Carers and the financial impact on households. For those Carers who now receive a fee, it is anticipated that the allowance should adequately cover all needs of a child in placement.

For the sake of clarity the additional payments specifically identified in this document are the only additional payments made outside of the fee and allowance payments.

Standard Tier Foster Carers (primarily Connected Persons) may have additional costs which the Fostering Team Manager may agree to reimburse. This will be agreed on a case by case basis.

## **10 Holiday Allowance**

- 10.1** It is expected that children will accompany Foster Carers on any planned holidays. To facilitate this, a holiday allowance will be paid per child. The equivalent of up to two weeks of the fostering allowance per child will be paid.

This will be paid at the slightly higher rate of 110% of the Fostering Network recommended allowance for Standard Tier Carers.

This will be paid either when a child accompanies the carer for seven days or more, or when a Carer arranges a series of day's out/family activities in lieu of a family holiday. This may be paid in two separate payments if a Carer

plans more than one holiday, however only two weeks will be paid in any financial year (from 1<sup>st</sup> April to 31<sup>st</sup> March each year).

The purpose of this payment is to ensure that any child in Foster Care has an opportunity to enjoy what is considered a typical childhood experience to visit different places of interest and interact with the world around them with their foster family; therefore this will not be paid to cover the costs of day care or holiday clubs.

It may be paid to cover the cost of a specific activity holiday for an older child or young person when the Carers do not accompany the child.

Carers need to request this via their supervising Social Worker to arrange payment.

Please note that holidays for school age children must only be taken outside of term-time.

## **11 School Trips**

**11.1** It is generally expected that school trips such as day trips, trips to museums etc. are paid for from the Fostering Allowance.

Many schools also offer low cost, short, educational trips which are planned well in advance and Foster Carers are able to budget for from the allowance. Many of these trips are subsidised by schools and are therefore reasonably priced.

Occasionally a child or young person may have opportunity to go on an extended school trip, usually overseas or on a specialist residential trip. In this instance one trip per school tier (lower, middle and upper) would be considered for additional funding by the Fostering Team.

## **12 Payment for Respite**

**12.1** Carers who offer less than a full time placement (e.g. weekend care only) will be paid pro-rata. They will also receive the allowance for any child placed pro-rata.

**12.2** Foster Carers should submit Expense Claims as they accrue them. The form should be sent to the supervising Social Worker for authorisation with copies of receipts.

## **13 Taxation**

**13.1** The Government has changed the tax regulations for Foster Carers with effect from 1<sup>st</sup> April 2003. For taxation purposes, the Inland Revenue takes into account gross receipts from fostering. Carers are exempt from taxation where their gross receipts from fostering are below a threshold. Carers with receipts above the threshold may still choose to compute their profits in the normal way for self-employed persons. Alternatively, they can elect to treat the amount by which their gross receipts exceed the threshold as their taxable profit.

**13.2** The threshold consists of two elements: -

**13.2.1** A fixed amount of £10,000.

**13.2.2** An additional amount per child of:  
£200 per week for a child aged under 11.  
£250 per week for a child aged over 11.

Figures as per HM Revenue & Customs (August 2008)

**13.3** The Carer must calculate their individual threshold (qualifying amount) which has been £10,000 a year plus the relevant amount per week for each child they care for. If their total receipts are equal to or less than the threshold, all payments are exempt from taxation. If payments are greater than the threshold, the Carer can choose between:

**13.3.1** Paying tax on the total receipts in excess of the threshold (without any separate relief for allowable expenses or capital allowances, or

**13.3.2** Paying tax on the actual profit from foster care worked out by calculating gross receipts, minus actual expenses and capital allowances.

**13.4** This system provides greater consistency nationally. Foster Carers are advised to look at their own tax position and if necessary take advice from their Inland Revenue office if they are in any doubt about how this affects them, or which taxation option to choose. Those Carers who have previously negotiated individual agreements with their Inland Revenue office are strongly advised to review this situation. Bedford Borough Council cannot advise generally on how those may be affected.

**13.5** We advise Carers to keep details of all children placed with them over the year, particularly noting their ages, and a record of all income and expenditure. This should include receipts and inventories which should be clearly recorded on the child's record. This is particularly important in relation to exceptional expenditure and providing day care.

**13.6** Foster Carers will receive a statement at the end of each financial year

## **14 Home Responsibilities Protection (HRP) and entitlement to State Pensions**

**14.1** The Inland Revenue announced on 25th March 2003 a revision to Foster Carers' entitlement to State Pension Entitlement. HRP will be available to Foster Carers, who were registered as Foster Carers for complete tax years from April 2003 onwards, where it will benefit their Pension Entitlement. This means that Carers remaining at home to care for children will be credited automatically with National Insurance contributions towards their entitlement to State Pensions.

**14.2** To claim HRP, Foster Carers must complete Form CF411 available from the Inland Revenue. The Fostering Team will provide the Carer with supporting

evidence of their fostering status to submit with their claim.

## **15 Insurance Cover and ex-gratia payments**

**15.1** We strongly recommend that Foster Carers have in place a Home Insurance Policy that covers accidental damaged caused by Foster Children. In case of a claim for loss or damage, caused by a foster child, Foster Carers should, in the first instance, make a claim on their home insurance policy. If the claim is declined by your insurance company then it may be possible to claim an ex-gratia payment from Bedford Borough Council. The maximum payable under the ex-gratia payment scheme is £1,000 per incident.

**15.2** To make a claim for an ex-gratia payment the following procedure must be followed:-

**15.2.1** The Fostering Team should be notified in writing (by e-mail or letter) within two weeks after the loss or damage has occurred. Late notification may result in no payment being made.

**15.2.2** The supervising Social Worker will then issue an ex-gratia payment claim form which should be fully completed by the Foster Carer and returned as soon as possible together with a copy of the letter from your home insurer stating that the claim has been declined by them.

**15.2.3** The Foster Carer must also submit two estimates for repairs or replacements and in the case of replacement items evidence of the original purchase price should also be provided, if available. The estimates must be from bone fide companies and must be provided on company letter headed paper.

**15.2.4** Claims will then be scrutinised and, if authorised by the Fostering Team Manager, Foster Carers will be requested to proceed with the repairs or replacement in accordance with lowest estimate and to submit a copy of the paid invoice before the ex-gratia payment is made by the Council.

**15.2.5** Bedford Borough Council has in place Public Liability and Employers' Liability Insurance Policies that protect the legal liability of the Council in case of a claim for personal injury or property damage from a third party or an employee.

## **16 Young Person**

**16.1** The Fostering Allowance provides for the purchase of a yearly set of standard school photographs (approximately £15). If it is assessed by the Foster Carer/s, supervising Social Worker and Social Worker that supplementary photographs are required a 'one off' payment will be made by the Fostering Service. Standard materials that are required for young people's school attendance and activities are provided for within the Fostering Allowance. If specific items are required Foster Carers should contact their supervising Social Worker regarding payments for 'one off' educational situations.

**16.2** If a child/young person has a mobile phone it is expected that the Carer will

provide £10 per month to top up their credit. This is included in the Fostering Allowance. A young person may also choose to use their pocket money to top up.

- 16.3** In general it is expected that children would use toiletries provided by Carers for general use. It is envisaged, however, that within reason as children get older, Carers should provide them with toiletries of their choice.

Again in order to encourage young people to budget as they get older, an allowance should be given to the young person in order for them to purchase their own toiletries.

It is expected that this is funded from the household component of the Allowance.

- 16.4** When a child has contact with their parents it is not expected that Carers should fund any activities during contact. Carers are, however, expected to provide a snack and drink for the child.

If the contact is between siblings it is expected that Carers fund their child's activity so that contact can be more informal.

This would come out of the personal component of the Allowance. It is anticipated that this would be an occasional expenditure and Foster Carers could budget in advance for this.

Mileage for contact would be paid if it is part of the child's agreed Care Plan. If it is to support on-going relationships (e.g. to visit friends) for the child, it would be expected to be covered by the travel component of the Allowance.

- 16.5** Foster Carers can claim for photographs related to Life Story/ Memory Box work. It is expected that this would cost up to a maximum of £50 for each piece of work.

This needs to be claimed using receipts via supervising Social Worker.

There may be occasions when additional costs will need to be discussed. Any additional cost must be agreed in advance with the Fostering Team Manager.