

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources Committee
DATE	3 December 2015
DIRECTOR	Gayle Gorman
TITLE OF REPORT	Kinship Care Allowances
REPORT NUMBER	
CHECKLIST COMPLETED	

1. PURPOSE OF REPORT

This report seeks committee agreement to revised allowances paid to kinship carers.

2. RECOMMENDATION(S)

Committee is asked to:

Approve with effect from 1 October 2015 an allowance for all kinship carers equivalent to that paid to foster carers.

3. FINANCIAL IMPLICATIONS

Preliminary work on the financial implications for Aberdeen City Council indicate this could cost the Local Authority £460,000.

4. OTHER IMPLICATIONS

Implementation of these changes will require additional administrative support to implement and maintain. The cost of this is not included within the settlement figure.

5. BACKGROUND/MAIN ISSUES

- 5.1 Kinship Care is the term used to describe the placement of children, by the Local Authority, with extended family members or friends where for care and protection reasons they cannot live with their parents. The Local Authority only has responsibility for those children it places with family members and/or are subject to statutory orders. The Service does not have responsibility for private arrangements made by families.
- 5.2 To support formal kinship arrangements the Local Authority currently provides financial support to kinship carers (to cover the costs

associated with caring for a child). The current payments, agreed by the Education & Children's Services Committee in June 2015 are:

5.2.1 Payment to Interim kinship carers - £35.00 per week per child.
(Interim kinship carers are unapproved kinship carers undergoing an assessment to determine their suitability.)

5.2.2 Payment to approved kinship carers

Age Group	2015/16 Weekly Rate
0 – 4	130.17
5 – 10	148.27
11 – 15	184.58
16 – 18	224.50

5.2.2 Payment to Permanent kinship carers

Age Group	2015/16 Weekly Rate
0 – 4	78.10
5 – 10	88.96
11 – 15	110.75
16 – 18	134.70

5.3 In 2014 a number of Local Authorities were contacted by the Equalities and Human Rights Commission (EHRC) to challenge the level of the allowance paid to kinship carers. They highlighted the legal status of a looked after child placed with foster carers was the same as a looked after child placed with kinship carers. They consequently argued kinship carers should receive parity in the level of payment. This argument followed a Court decision in England which supported this position.

5.4 In acknowledgement of this situation it was recognised that if we did nothing there is a risk to the Council of litigation and reputational damage. Consequently the Education and Children's Services Committee in June 2015 agreed to increase the level of allowance paid to approved kinship carers to equal that paid to foster carers.

5.5 A meeting of all 32 Local Authorities, the Scottish Government and Social Work Scotland and COSLA in February 2015 agreed to apply a consistent model that developed by North Ayrshire. Through this model kinship carers are supported to maximise their income for the child via the Benefits Agency. Having done so the Local Authority "tops up" this income to ensure parity with the allowance paid to foster carers. (Kinship carers, unlike foster carers, are entitled to claim certain benefits i.e. child benefit and tax credits etc.)

5.6. Although this model ensured parity it also means that the amount the Local Authority pays each kinship carer will differ according to their individual circumstances.

- 5.7 Initial calculations based on 10 cases projected that this change would incur additional spend of £48,000 per annum. Having now implemented this change the anticipated increased cost will be £153,788. This increase is due to a far greater number of families not being eligible for Child Benefit or Tax Credit's than the initial sample suggested.
- 5.8 At the meeting in February 2015 the Scottish Government indicated that they would look to provide additional funding to Local Authorities to mitigate the cost of implementing kinship allowances which ensured parity to the allowances paid to foster carers. In October 2015 the Scottish Government announced, following consultation with COSLA, funding of £10.1 million to support implementation of this change. Aberdeen City Council's share of this is £285,970, full year funding.
- 5.9 The announcement from the Scottish Government is intended to ensure parity for all kinship carers from the point the child is placed. This is to apply to the following kinship arrangements:
1. All formal kinship carers where the child is "looked after".
 2. Some informal kinship carers where the child is not looked after but is subject to a Section 11 Order under the Children (Scotland) Act 1995 and is or was:
 - previously looked after; or
 - placed with involvement by of the Local Authority; or
 - At risk of becoming looked after.
- 5.10 In respect of No. 1 the decision in June 2015 by the Education and Children's Services Committee to agree a kinship allowance equivalent to that paid to foster carers delivers on the majority of this expectation. The exception to this is that Aberdeen City Council, along with most other local authorities, currently pays the full kinship allowance from the point the kinship carers are approved not from the point the child is placed. While the assessment is being undertaken kinship carers receive an "interim allowance" (see 5.2.1). The recent announcement by the Scottish Government requires the full allowance to be paid from the point of placement.
- 5.11 At present an "interim allowance" is being paid to 12 children. (This number is subject to frequent change.) Based on this number the estimated additional costs of paying the full allowance (see 5.2.2) from the point of placement are anticipated to be £53,992.
- 5.12 In respect of No 2. the anticipated costs are more difficult to fully anticipate. At present Aberdeen City Council pays a means tested Permanent Kinship Allowance to some carers who care for the child on a permanent basis via a Section 11 Order. This would be in recognition that for these children a return to their parents care is neither safe nor in their best interests. This order provides the child with a clear sense of security and predictability and removes them from the formal care system. Many kinship carers are put off securing the child permanently

due to financial worries. The Permanent Kinship Allowance allows them to do so and, where their circumstances allow, continue to receive an allowance. (The Permanent Kinship Allowance is set at 60% of the full allowance and reflects parity between the fostering and the adoption allowance.)

5.13 The recent announcement from the Scottish Government means that as of 1 October 2015 these carers should be paid the full allowance (see 5.2.2). Currently 22 children receive a permanent kinship allowance. The cost of implementation for this group of children is anticipated to be £97,301.

5.14 Separate to the children noted above there are other children, placed by the social work service in a kinship placement, where the kinship carer has secured the child via a Section 11 Order and whom the Social Work Service no longer has an involvement in their lives. The announcement by the Scottish Government means that each of these carers would be entitled to come back to the Local Authority to claim a kinship allowance.

5.15 The Service is aware of 20 children, now closed to the Social Work Service, who were secured via a Section 11 Order by their kinship carers. If all these carers returned to the Service the anticipated cost of paying them a kinship allowance could amount to £155,646. (This is based on payment for the child at their current age minus child benefit. Some of these families may be in receipt of Tax Credits or other benefits but at this stage such is unclear.)

5.16 Separate to these known cases there will be other cases where unbeknown to the social work service the kinship carer, post the involvement of the social work service, has secured the child in their care via a Section 11 Order. Again these carers would be entitled to come back to the Local Authority to claim a kinship allowance. Although the number of children in this category is likely to be small it is not possible to provide an exact figure.

5.17 Total Cost of Implementation

	2015/16	2016/17*
Anticipated cost of paying approved kinship carers an equivalent allowance.	153,788	153,788
Anticipated cost of moving from paying Interim Allowance to full allowance	32,092	64,184
Anticipated cost of moving from paying Permanent Kinship Allowance to full allowance, for existing cases.	25,676	51,352
Anticipated cost of paying a kinship allowance to closed cases secured by a Section 11 Order	77,823	155,646
Total	£289,379	£424,970
Total additional funding from Scottish Government	£142,985	£285,970

*Based on the current rates.

5.18 The Scottish Government has recognised that this is only a temporary solution. The introduction of Universal Credit will bar kinship carers claiming any state benefits for looked after children – these costs seen

as being the responsibility of the Local Authority. When Universal Credit is implemented the full allowance will need to be paid by the Local Authority.

- 5.19 The implementation and maintenance of these allowances will require additional administrative resources. Maintaining an accurate record of all kinship placements, particularly those closed to the social work service, will be critical to ensure no payments are made to kinship carers who cease to care for the child either because the child leaves home going to university etc. or returns to the care of their birth parents. At this stage it is anticipated this additional resource will be met from within the Services budget.

6. IMPACT

The fee's and allowances paid kinship carers reinforces the Council's duty to provide effective services to children and young people that safeguard and protect their safety and wellbeing as well as ensuring all services are targeted towards reducing inequalities and improving outcomes. These expectations are consistent and fully aligned to the Council's Single Outcome Agreement.

7. MANAGEMENT OF RISK

This report outlines how as a Local Authority we are supporting kinship carers. It has not been possible to provide this committee with a full understanding of the financial implications. The level of allowance paid to kinship carers is reviewed annually, next reviewed March 2016. This will allow the Service to provide a clearer update on the financial implications of implementation of the proposed changes.

8. BACKGROUND PAPERS

None.

9. REPORT AUTHOR DETAILS

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