

**ANGUS COUNCIL**

**CHILDREN AND LEARNING COMMITTEE – 12 JANUARY 2016**

**INCREASING KINSHIP CARE ALLOWANCES TO ENSURE PARITY WITH FOSTER CARERS**

**REPORT BY THE STRATEGIC DIRECTOR – PEOPLE**

**ABSTRACT**

This report proposes arrangements to bring allowances in respect of children in kinship care placements in line with those for approved foster care placements. These changes follow an agreement reached between COSLA and the Scottish Government.

**1. RECOMMENDATIONS**

1.1 It is recommended that the Children and Learning Committee:

- (i) approves the uplift of Kinship Care allowances to the same level as Angus Council foster carers minus any child related benefit entitlement; and
- (ii) approves that this uplift be backdated to 1 October 2015.

**2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/ SINGLE OUTCOME AGREEMENT/ COPORATE PLAN**

2.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

Local Outcome 2: Angus is a good place to live in, work in and visit

Local Outcome 3: Our children and young people are confident individuals, effective contributors, successful learners and responsible citizens

**3. BACKGROUND**

3.1 A kinship care placement exists when a child cannot remain with their birth family and is placed by the local authority to be looked after by their extended family or close friends. Angus Council has a kinship care scheme which provides financial support for formal kinship carers who are have been assessed as carers for specific looked after children. Members are referred to report number 375/08.

3.2 The carers of children who were previously placed with relatives by the Local Authority and are now subject to Residence Orders are also entitled to receive payments under the scheme. At present Angus Council have 17 approved kinship carers receiving allowances and 54 carers who receive a residence allowance.

3.3 The Equalities and Human Rights Commission have taken an interest nationally in the area of kinship allowances and have challenged what they consider to be a disparity between the allowances available for looked after children in kinship care placements and those in foster care placements. This challenge has included a risk of legal action against some Local Authorities. In response to this, COSLA and the Scottish Government reached an agreement to bring parity to kinship and foster carer allowances from the 1<sup>st</sup> October 2015. Local Authorities are expected to ensure 'local parity' in the level of allowance paid to eligible kinship carers in return for additional funding received from the Scottish Government.

**4. CURRENT POSITION**

4.1 At present the Angus Kinship Care scheme provides a weekly allowance to eligible kinship carers taking account of the rate of child benefit the carer receives. Payments range from £78.15 to £156.70 per week, depending on the age of the child. Similarly, an allowance is

payable to foster carers depending on the age of the child but the amount payable ranges from £142.86 to £246.44.

- 4.2 An additional weekly allowance for a child's birthday; Christmas; and two weeks' additional allowance in the summer holidays are also payable. At the time the Angus Kinship Care scheme was introduced the rates were set lower than the foster care rates to reflect the fact that kinship carers could claim child benefit, and tax credits and to reflect the fact that fewer demands are placed on kinship carers than foster carers.
- 4.3 A letter from the Scottish Government to local authorities issued on 5 October 2015 outlines that from 1 October 2015, it is the policy expectation that eligible kinship carers will have access to kinship care allowances and that these will be at a rate equivalent to that payable to foster carers minus child related benefit. This policy change only applies to allowances, not the fees which are also payable to foster carers.
- 4.4 It is acknowledged that given the policy implementation date preceded the issue of the letter, local authorities will not have had time to make local arrangements and therefore the new rate of allowance should be back dated to 1 October 2015 for those eligible.
- 4.5 A longer term review of allowances for foster and kinship care has been remitted to a National Allowance Review Group. The Angus schemes will require to be updated to take account of this and further interim guidance on the operation of the local parity model when it becomes available.

## 5. PROPOSALS

- 5.1 It is proposed to increase the allowances paid to eligible kinship carers to the same level received by our foster carers minus child related benefits.

The table below shows the rates per week for the 5 age groups:

Age of child	2015 – 2016 rates per week
0-4	£142.86
5-10	£162.73
11-15	£202.58
16-18	£246.44
18+	£246.44

In order to implement this policy individual carers will have to be assessed as kinship carers and undergo a financial assessment to determine the impact of any child related benefits on the level of payment they receive.

## 6. FINANCIAL IMPLICATIONS

- 6.1 The table below summarises the financial implications:

	Estimated Cost to implement	SG Funding	Shortfall
Part years Costs (6 months)	£142,696	£89,155	£53,541
Full Year Costs	£285,392	£178,309	£107,083

The allocation to Angus amounts to only 62% of the cost of implementation. This appears to as a result of the way the funding has been distributed. The national review of allowance may address this issue. It should be noted that there is also a risk that demand for payments may increase due to national and local publicity around the revision to the scheme.

The shortfall in 2015/16 can be contained within the Children and Young People Service revenue budget. A budget bid has been submitted for the full shortfall for 2016/17.

**NOTE:** No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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