

Sefton Children's Services  
Foster Care Maintenance Allowance &  
Training and Skills Fees/Levels –  
Finance Policy - 2024-2025

Fostering Maintenance Allowances – Elements  
for the Child/Young Person/Foster Carer/s

John Short  
Version One  
1<sup>st</sup> April 2024

# Sefton - Fostering Service Financial Policy

## **Aim:**

The aim of this document is to set out a framework that covers the Allowances and Fees provided to foster carers (and the cared for children and care experienced young people that they care for and support). Payments to foster carers are made up of two elements; a Maintenance Allowance paid on a weekly basis to cover the cost of looking after the cared for child and a Fee to reflect the skill, training, and experience of the foster carer.

## **Weekly Maintenance Allowances (Child/Young Person Elements)**

The Maintenance Allowance section of this document sets out a framework that covers the purpose of the weekly maintenance allowances provided to foster carers. The weekly maintenance allowance is provided to cover the needs of a child placed in their household and covers all food and associated utility costs, entertainment costs, activities and items that help children improve their life chances and outcomes as they progress towards adulthood.

The items set out in the maintenance allowances section account for a percentage of the total weekly maintenance allowance and should be used as a minimum standard and general guide. Enquiries regarding items not covered in the comprehensive list set out below should be discussed with the foster carer/s' supervising social worker.

The headings and allowance rates set out in the maintenance allowance table below provide guidance and a set of principles on the use of the allowance. Whilst the recommended amounts aim to set out minimum requirements, when accrued over a whole year, how the amounts are used will be dependent on the individual needs of the foster care household and child/young person; how the allowances will be used/provided should be set out in the child/young person's Placement Plan.

## **Training and Skills Fee**

A Training and Skills Fee is paid to foster carers who are approved/registered foster carers and are expected to provide placements for children as requested by Sefton Children's Services and occasionally on an emergency basis. Foster carers are expected to care for children in circumstances where there may be little known about the child at the point of placement and where a previous relationship between the child and the foster carer does not necessarily exist. Carers are expected to make a commitment to care for the child/ren on behalf of the local authority (Sefton Children's Services).

The training and skills fee is also paid in response to the evidence of learning, training and skills that enhances the foster carer/s experience and knowledge and their ability to care for children, many of whom will have complex needs occasioned by the loss, separation and/or abuse that they may have experienced prior to becoming cared for. Foster carers are required to attend a minimum of 4 days of training or equivalent learning per year and to complete the Sefton Training and Development Standards. A broad range of training is available to all foster carers. Connected person foster carers are also entitled to the training and skills fee subject to the progression requirements.

## **Administration of the Scheme and Payment Process**

On initial approval, new foster carers are e-mailed a guide on how to set themselves up as supplier to the council. The carer completes an online account form & they receive a

reference number which they then send to the team manager of the recruitment and assessment team. The team manager completes a controcc form on the carers LCS record which instructs finance to set them up on the system to receive payments. At the same time the team manager will also send the carer a link to register for the provider portal, in order to claim mileage, view payment remittances etc.

Controcc forms are the mechanism by which the fostering service informs finance what payments are to be made to the carer once a child is placed etc. In some cases, an end date can be added to the form i.e., for short breaks or respite, whereas in other situations the fostering service has to notify finance via a separate controcc form when to end or change payments i.e. if a child moves placement etc. Sometimes we are able to put an end date on the payments i.e. short breaks placements.

Foster carers are paid fortnightly on a Wednesday. The cut off point for any changes to payments to be made is 12 noon the week before the payment is due. The foster carer should check the Provider Portal on a regular basis to access and print their weekly 'Remittance Advice' (payment information).

Both the Finance Team and the Fostering Team must be informed immediately of any change of account details, change of name, or payment address etc. If a child ceases to live with the carer it is the responsibility of the foster carer, to advise their supervising social worker immediately.

New foster carers will be allocated an experienced foster care mentor during their initial 'Skills to Foster' training who will also provide information and guidance on the purpose of this document.

## **Roles, Responsibilities and Expectations**

### **Foster Carer/s**

Upon approval, foster carers are required to sign a 'Foster Care Agreement' that sets out the requirements of the fostering scheme. Key requirements include:

- Meeting the health, wellbeing and safeguarding needs of all children placed with them;
- Contribute to the child's placement plan that sets out the day to day arrangements for meeting the needs of the child and comply with any delegated authority;
- Ensure they keep a record of signification information about and activities undertaken by each child in their care;
- Using the weekly fostering maintenance allowance to meet all of the needs of children placed with them;
- Inform their mortgage provider and/or landlord, their buildings and contents insurance provider and their motor vehicle insurance provider that they are a foster carer;
- Communicating with and updating social workers and supervising social workers regarding the circumstances and needs of all children placed with them;
- Informing the child's social worker and their supervising social worker of any change of circumstances (children placed with them and their own situation);
- Where difficulties are occurring with the placement, inform the supervising social worker and the child's social worker and participate in a fostering stability meeting;
- Declaring and returning any overpayment;
- Taking responsibility for their personal welfare benefit and income tax liabilities (stemming from being an approved foster carer).

## Fostering Services

Upon approval, all foster carer's are allocated a named supervising social worker who is their key contact point and link with the fostering service and local authority. The supervising social worker will provide:

- The new foster carer/s with a Sefton 'Welcome to Fostering Pack' and explains the foster service requirements;
- Support, advice and guidance regarding all aspects of being an approved foster carer;
- Support, advice and guidance regarding using the allowances to meet the needs of a child or children placed with the foster carer;
- Assesses the skills and training needs of the foster carer/s;
- In conjunction with a child's social worker ensure that each child has a placement plan, safer caring plan and there is a schedule of delegated authority in place;
- Ensuring that the house and all furniture/equipment used by the foster carer comply with all health and safety requirements;
- Providing a point of contact regarding ensuring that all household members, including regular visitors (existing and new) have a current DBS check;
- Provide 'Public liability Insurance' cover via membership of the Fostering Network;
- Supports the foster carer with their yearly review and three yearly re-registrations;
- Confirms that the foster carer is responsible for any welfare benefit, income tax and national insurance liabilities.
- Monitor and confirm that the foster carer understands that they must repay any overpayment within a given timescale.

Please see the Delegated Authority and Staying Put policies that should be read in conjunction with this document.

## Weekly Fostering Maintenance Allowance Table (Table One)

Age	Maintenance Allowance
0 to 2	£165.00 – Each Child
3 to 4	£170.00 – Each Child
5 to 10	£187.00 – Each Child
11 to 15	£213.00 – Each Child
16 & 17	£249.00 – Each Child

## Weekly Training and Skills Fee Table (Table Two)

Fee Level	Weekly Fee
Level One	£67.00 – Per Child
Level Two	£175.00 – Per Child
Level Three – Enhanced	£327.00 – Per Child
Level Four – Specialist Fostering Scheme (a, parent and child, b, therapeutic fostering, c, complex medical and care needs, d,	£400.00 to £750.00 – Per Child – linked to assessment of need

solo placements due to assessed needs)	
<p>The training and skills fee is linked to the experience, training and skills of the foster carers and is in place to ensure the professionalism and knowledge of the foster carer/s is recognised and properly regarded.</p> <p>Approval at the different levels will depend on the: -</p> <ul style="list-style-type: none"><li>• Carer's assessed core skills;</li><li>• The length of experience as an approved carer;</li><li>• Training that has been undertaken and evidence of application;</li><li>• The child's assessed needs.</li></ul> <p>The fostering service progression policy provides information on how the training and skills fee levels are applied and how to progress through the levels.</p>	

## Section 1: Items Contained Within the Weekly Maintenance Allowance

Allowance and Amount	Guidance and Conditions
<p>Pocket Money Allowance</p> <p>Age Range:</p> <p>0-2 £5.35 to be saved</p> <p>3-4 £7.50</p> <p>5-10 £10.70</p> <p>11-15 £16.05</p> <p>16-18 £20.35</p> <p>Per Week</p>	<p>The Pocket Money Allowance is provided for children and young people and for their general and personal needs. Foster carers are expected to provide children with their pocket money each week or save the money on their behalf. For children aged 0-2 years it is expected that the pocket money will be saved and added to the child's savings account or the Junior ISA. Children's Services holds a Junior ISA for all children who have been cared for, for a continuous period of more than 52 weeks.</p> <p>How the Pocket Money Allowance will be provided to the child and any specific conditions/arrangements attached to its use should be set out in the child's placement plan.</p>
<p>Toiletries</p> <p>£6.70</p> <p>Per Week</p>	<p>The toiletries allowance is provided to ensure that children/young people have a supply of their own toiletries. Where the toiletries allowance is not being used to purchase such items, the child/young person's foster carer should use the allowance on their behalf to buy items/brands that the child/young person uses.</p> <p>Up to £6.70 per week – depending on an assessment of need.</p>
<p>Clothing and Footwear Allowance</p> <p>Per Week</p> <p>Age Range:</p> <p>0-2 £17.15</p> <p>3-4 £18.20</p> <p>5-10 £21.40</p> <p>11-15 £23.55</p> <p>16-18 £25.70</p> <p>The Clothing and Footwear Allowance should be used for both casual clothing and to supplement the School Clothing/Footwear Allowance.</p>	<p>The Clothing and Footwear Allowance can be used flexibly to purchase items directly by foster carer/s as necessary for young children and be provided directly to older children and young people on a weekly/monthly basis or, as required. The use of the allowance will differ between individuals and should be set out in the child's/young person's placement plan and be agreed by the foster carer/s, supervising social worker and the child's/young person's social worker and/or personal adviser at the initial placement planning meeting or subsequent placement plan review.</p> <p>The Clothing and Footwear Allowance should be used to purchase both casual clothing/footwear and to supplement the School Clothing/Footwear Allowance.</p> <p>Carers should use the Sefton Clothing and Footwear Allowance Worksheet (Appendix 1) to demonstrate how the allowance has been used and what items of clothing or alternative items have been purchased. This is required for audit purposes and to ensure that children and young people have received their full entitlement for each financial year and particularly when they move between placements (it is advisable to retain receipts for foster carer/s records).</p> <p>Carer/s of young people aged sixteen and over should ensure that the young person has sufficient suitable clothing/footwear for formal/interview situations, education/training/employment opportunities and for their future move to independent living.</p>

<p>Life Chances/Leisure Allowance.</p> <p>Age Range</p> <p>0-2           £8.20</p> <p>3-4           £10.70</p> <p>5-10          £11.25</p> <p>11-15       £12.85</p> <p>16-18       £13.40</p>	<p>The Life Chances/Leisure Allowance is provided to enable children and young people to take part in leisure activities or to take part in day trips or short breaks with their foster carer/s. Foster carers are encouraged to access the wide range of free activities provided in the Borough. This leisure allowance is available to provide additional complimentary activities.</p> <p>The allowance could be used to pay for the membership of a hobby, sporting, or leisure club and/or contribute towards the cost of a social activity. Children and young people should be supported to take part in <b>at least one</b> social activity per week. Young people should be supported to identify activities that are sustainable from their own earnings/education allowances/benefits when they reach the age of 18.</p>
<p>Education: £16.50 Per Week</p> <p>School Photographs £48.00 Per Year</p> <p>School Stationery, Arts and Crafts Materials £8.50 Per Week</p> <p>School Trips £16.50 Per Week £858.00 Per Year</p>	<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 major 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/s, supervising social worker and social worker that supplementary photographs are required a 'one off' payment may be made by the Fostering Service.</p> <p>The Maintenance Allowance contains £8.50 per week to purchase school stationery, arts and crafts equipment and related materials. For example, memory keys/sticks, notepads, pens, arts and other materials.</p> <p>The Maintenance Allowances contains £16.50 per week, £858.00 per year 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>Savings</p> <p>Age Range: 0-10   £5.00 11-17   £10.00 Per Week</p> <p><i>SLT Exploring savings approach – should the savings allowance be added to the Junior ISA and managed centrally by the local authority?</i></p>	<p>As a corporate parenting principle, Sefton Children's Services aims to support and encourage children and young people to develop a custom of saving money for their future life and independent living needs by providing a weekly Savings Allowance.</p> <p>The Savings Allowance will be placed in the Junior ISA that all cared for children are allocated by the Share Foundation when they have been cared for, for a continuous period of 52 weeks. For the first 52 weeks of being cared for, the finance team will hold the savings.</p> <p>Where appropriate, additional money can be added to the savings account or Junior ISA by foster carers/relatives etc.</p> <p>Foster carers should ensure that children/young people make short term savings for particular items/activities from their pocket money</p>

<p>Savings <i>Continued</i></p>	<p>and understand that the Savings Allowance is for longer term requirements and cannot be accessed until the child/young person reaches the age of 18.</p> <p>Foster carers/social workers should ensure that all children/young people are given a yearly balance of any savings held for them, both long term and short term.</p> <p>The detailed arrangements for where the savings are held and how savings are added should be set out in the child/young person's placement plan.</p> <p>How the savings will be transferred to and used by the young person at the age of 18 should be set out in the young person's Pathway Plan.</p>																												
<p>Birthday Allowance</p> <table border="0"> <tr> <td>0-2</td> <td>£165.00</td> </tr> <tr> <td>3-4</td> <td>£170.00</td> </tr> <tr> <td>5-10</td> <td>£187.00</td> </tr> <tr> <td>11-15</td> <td>£213.00</td> </tr> <tr> <td>16-18</td> <td>£249.00</td> </tr> </table>	0-2	£165.00	3-4	£170.00	5-10	£187.00	11-15	£213.00	16-18	£249.00	<p>The Birthday Allowance is provided to purchase a gift or gifts and to provide a contribution towards the cost of celebrations. As a general rule £110.00 for the purchase of a gift/gifts and the remainder as a contribution towards a celebration. Only in exceptional circumstances and following discussion with the supervising social worker and child's social worker should the allowance be given in cash.</p> <p>Foster carers are also expected to use small amounts accrued from the weekly maintenance allowance to contribute to the cost of birthday presents/cards for the child/young person to give to relatives/friends.</p> <p>Payments are made automatically approximately three weeks prior to the child/young person's birthday.</p> <table border="1" data-bbox="549 1308 1366 1536"> <thead> <tr> <th>Age</th> <th>Gift/Gifts</th> <th>Celebration</th> </tr> </thead> <tbody> <tr> <td>0-2</td> <td>£110.00</td> <td>£55.00</td> </tr> <tr> <td>3-4</td> <td>£110.00</td> <td>£60.00</td> </tr> <tr> <td>5-10</td> <td>£110.00</td> <td>£77.00</td> </tr> <tr> <td>11-15</td> <td>£110.00</td> <td>£103.00</td> </tr> <tr> <td>16-18</td> <td>£110.00</td> <td>£139.00</td> </tr> </tbody> </table>	Age	Gift/Gifts	Celebration	0-2	£110.00	£55.00	3-4	£110.00	£60.00	5-10	£110.00	£77.00	11-15	£110.00	£103.00	16-18	£110.00	£139.00
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Travel <i>Continued</i>	Fostering Service to enable children/young people to access their local community, education and leisure activities.
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 needs i.e. skin and hair care, dietary requirements.</p> <p>Where appropriate, and dependent on an assessment of need additional funds can be obtained to meet identified religious and cultural needs. Requests for additional funds should be made in advance of any expenditure and should be made to the supervising social worker.</p>
Holiday Clubs and Activities	The weekly Maintenance Allowance provides for the provision of the majority of holiday clubs and activities during term time and the holiday periods.
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.

## Section 2 Items Paid Additional to the Weekly Maintenance Allowance

Allowance and Amount	Guidance and Conditions												
<p>Emergency – Equipment Allowance</p> <p>Up To £535.00</p>	<p>The Emergency Equipment Allowance is paid in situations where a foster carer requires new or additional equipment in order to offer a placement. The foster carer should provide a detailed list of all items required and submit the list to their supervising social worker for approval (by the fostering team manager).</p> <p>Once an Emergency Equipment Allowance has been provided, it is expected that the foster carer will replace items as required based on reasonable ‘wear and tear’. In exceptional situations, foster carers should discuss specific requirements with their supervising social worker.</p> <p>Placements for babies that are provided on anything other than an emergency basis should have a new mattress provided.</p> <p>All Emergency Equipment Allowances must be approved by a supervising social worker and authorised by a fostering team manager.</p>												
<p>Emergency - Initial Clothing Allowance</p> <p>Up To:</p> <p>0-2 £165.50 3-4 £176.50 5-10 £187.25 11-15 £198.00 16-18 £214.00</p>	<p>The Emergency Initial Clothing Allowance is paid in situations where children/young people are placed with insufficient clothing for everyday needs.</p> <p>When a child/young person is first placed, foster carers should make a list of the clothing that the child/young person has arrived with and another list setting out what clothing is required.</p> <p>Carers should use the Sefton Clothing Allowance Worksheet (Appendix 1) to demonstrate what clothing the child/young person has and what items of clothing need to be purchased.</p> <p>Applications for the Initial Clothing Allowance should be made via the supervising social worker.</p>												
<p>School Clothing/Footwear Allowance.</p> <p>Assessment of Need</p> <p>Up To:</p> <p>1 £187.25 2 £321.00 3 £294.25 4 £321.00</p>	<p>Foster carers should use the Fostering Maintenance Allowance to cover the child’s on-going school clothing and footwear needs.</p> <p>In situations where a child/young person is placed and does not have the required uniform or equipment a Commencing School Payment will be considered subject to an assessment of need, additional payments will be considered when a child Commences Secondary School and on Transferring Schools.</p> <table data-bbox="475 1888 1369 2033"> <tr> <td>1</td> <td>Commencing/changing primary school</td> <td>Up To £187.25</td> </tr> <tr> <td>2</td> <td>Commencing secondary school</td> <td>Up To £321.00</td> </tr> <tr> <td>3</td> <td>Transferring secondary schools</td> <td>Up To £294.25</td> </tr> <tr> <td>4</td> <td>Starting work/college</td> <td>Up To £321.00</td> </tr> </table>	1	Commencing/changing primary school	Up To £187.25	2	Commencing secondary school	Up To £321.00	3	Transferring secondary schools	Up To £294.25	4	Starting work/college	Up To £321.00
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<p>School Clothing/Footwear Allowance. <i>Continued</i></p>	<p>In situations where children or young people commence a school place, commence secondary school or transfer schools, foster carers should assess any new clothing requirements. If it is not possible to meet these new clothing requirements from the weekly Maintenance Allowance, foster carers should submit an application to their supervising social worker.</p> <p>School clothing/footwear should primarily be met from the general Clothing and Footwear Allowance which is provided to purchase both casual and school clothing/footwear (See page 5).</p>
<p>Respite Care and Day Care</p>	<p>In situations where it is assessed that a foster carer may need to have a period of respite care or may require day care to ensure placement stability (for the benefit of the child/young person) the following principles apply:</p> <p>Before making arrangements for a period of overnight respite care or the approval of a day care episode, this must be agreed with the supervising social worker and the child/young person's social worker and be in line with the care plan / placement plan for the child/ren in placement.</p> <p>All requests for respite care or day care support must be referred to the supervising social worker and approved &amp; authorised by the fostering team manager, prior to the respite/day care taking place.</p> <p>Day care support is paid at a maximum of £8.55 per hour and must not exceed the daily allowance and fee rate.</p> <p>Carers offering respite will receive the enhanced rate of £46.77 per day, plus the child's fostering maintenance allowance.</p> <p>Whilst the child/young person is in respite, the main carer will receive the age related fostering maintenance allowance and fee for a maximum of 10 days in any one financial year. This could be taken as one period or in separate days. For respite over 10 days in a year, the main carer will receive no payment.</p> <p>As an alternative, the main foster carer may decide not to take respite, in which case, they will be paid the fostering maintenance allowance and fee for up to 10 days which is a retention reward for the main foster carer.</p>
<p>Placement Introduction and Move-on Allowance and Transfer to Permanence payment</p>	<p>Expenses associated with placement introductions and placement moves will be paid to foster carer/s to cover the cost of introductory meetings, overnight stays and transfers to other foster carers/adaptors/special guardianship carers.</p> <p>The costs will be reimbursed at actual costs and the overnight rate at one seventh of the weekly rate:</p> <p>Age - 0-2 - £23.54 Per Overnight  Age - 3-4 - £24.30 Per Overnight  Age - 5-10 - £26.75 Per Overnight</p>



<p>Parent and Child Placements</p>	<p>In situations where a parent and child are placed together a Maintenance Allowance and Training and Skills Fee will be paid for each child.</p> <p>Where a cared for child (aged 16 or 17) has a baby/child who is resident with them in the placement, they are eligible to claim:</p> <ul style="list-style-type: none"> <li>• Child Benefit</li> <li>• Universal Credit</li> <li>• Healthy Start Vouchers</li> <li>• Sure Start Maternity Grant</li> </ul> <p>The child/young person's social worker should assist them to claim all available benefits, once payments are being made, the pocket money and clothing allowance for both parties will cease to be paid as part of the Fostering Maintenance Allowance. The carer for the child should use their benefits to cover their pocket money and clothing needs and their baby/child's needs, this will assist with an assessment of their parenting ability.</p>
<p>Damaged Items</p>	<p>In order to assist foster carer/s the Fostering Service will consider reimbursement of any damaged items or damage to the foster carers home where this has been caused by the child/young person in placement. 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 team manager. Damaged items will be replaced with the same, or a similar item. Payments will not be reimbursed if money is spent without having first been approved by the supervising social worker and authorised by the fostering team manager.</p> <p>Before requesting reimbursements, foster carers should always consult their insurance company about any damage or loss to establish their right to make a claim.</p>
<p>Allegations and Complaints against Foster Carers</p>	<p>If an allegation or complaint is made about a foster carer and as result the child/young person is moved (for the duration of the investigation), the foster carer will continue to receive the training and skills fee element for the duration of the investigation if the investigation is concluded within two months.</p> <p>Where the investigation takes more than two months to conclude, the training and skills fee will reduce to a 50% rate. Consideration can be given to waiving the reduction with agreement from the Assistant Director.</p>
<p>Young People who are Working - Pocket Money and Clothing Allowance - (16 and 17 year olds)</p>	<p>To encourage young people to undertake part time work, full time work, paid training or an apprenticeship, young people will retain their pocket money and clothing allowance when they are earning. Encouragement will be given to saving the pocket money and clothing allowance in a savings account or Junior ISA.</p>

Key Documents Cared For Children	Children's Services will purchase a passport and/or a birth certificate for all children/young people who are looked after depending on an assessment of need and if required  The Cared For child's social worker will arrange these documents.
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Travel to Fostering Training and Fostering Activities	Foster carers can claim mileage of 42.5p per mile when attending foster care training or fostering activities (support groups, service meetings events and conferences).
Supporting Fostering Service Activities	Foster carers will receive remuneration when undertaking activities for or on behalf of the fostering service, e.g., providing training, providing mentoring and/or advocacy, attending task and finish groups and service development groups.  Foster carers supporting the development of the fostering service i.e., attending a task and finish group or involved in specific related activities will receive £26.75 per meeting/group. To be claimed via the portal.

Annual Holiday Allowance  For the Child/Young Person  The Holiday Allowance is paid at 1½ times the weekly Maintenance Allowance	Foster carers are expected to take children/young people on the holidays that they are undertaking.  The Annual Holiday Allowance of £231.00 to £349.50 (depending on age) per child is provided on request and as a contribution towards a major holiday of at least five days once per year.  The Annual Holiday Allowance is paid in addition to the weekly Maintenance Allowance and should be used to contribute towards expenses associated with taking the child or young person on holiday.
0-2            £247.50 3-4            £255.00 5-10          £280.50 11-15        £319.50 16-18        £373.50	The Annual Holiday Allowance is paid automatically at the end of May each year. Agreement to take a child/young person on holiday must be sought from the child's social worker and must be agreed by the supervising social worker (approved by a fostering team manager) before the arrangements are finalised.  Foster carers must ensure they have the necessary holiday insurance cover and documentation.

## **Children/Young People Becoming Cared For – Independent Providers**

Independent Residential and Fostering Providers should use the 1) Financial Allowances for Cared for Children Living in Sefton Children's Homes Policy and the 2) Sefton Foster Carer Allowances Policy when setting the level of allowances to be paid to Sefton Cared for Children.

Independent providers should ensure that Sefton cared for children are provided with allowances that are commensurate with those provided to children placed in Sefton arrangements.

Where providers wish to provide allowances above the Sefton rates (to create equity across the placement/provision for children from a range of authorities), this is permissible where the provider covers the additional allowance costs.







## Additional Payments 2024 – 2025

The table below provides guidance for foster carers when purchasing specific items to support a child/young person's placement and, where required their own children. All purchases should be approved by the fostering supervising social worker in advance.

Item	Amount (Maximum)
Baby Bath	£20.00
Bed and Mattress	£350.00
Bedding Set	£25.00
Bottles	£30.00
Bouncer	£45.00
Buggy, Rain Cover & Cosy Toes	£175.00
Car Seat	£175.00
Chest of Drawers	£100.00
Cot Bed	£220.00
Cot Mattress	£75.00
Cot with Mattress	£220.00
Double Buggy	£150.00
Moses Basket	£55.00
Pram	£200.00
Steriliser	£45.00
Travel System (Pram, Car Seat, Carry Cot)	£325.00
Wardrobe	£175.00
Waterproof Highchair	£60.00
Sheets	£30.00

Any item that is required and not listed above should be costed and checked with and approved by the fostering supervising social worker.

# Children's Services Fostering Service Agreement to Repay Overpayments Fostering Maintenance Allowance & Training and Skills Fee Form

1. I/We.....(FULL NAME).....have read these documents and in consideration of the Fostering Maintenance Allowance and Training and Skills Fees paid to me/us as an authorised foster carer for the Sefton Council, 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/Fees.
  - (ii) A failure of any employee of the Sefton Council 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 Training and Skills Fees reclaimed by the Sefton Council.

3. Overpayments will be recouped in the following manner:

- Initially from any retainer payments due
- The balance over a maximum of six weeks

(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.

# Children's Services Fostering Service

## Notification of Change of Details Form

**Please return slip to:**

Finance Officer  
Children's Fostering Finance Team  
Children's Services  
ADDRESS

Please include new contact details; e-mail address, landline and mobile telephone number etc.

Full Name and Address (including Post Code)

.....  
.....  
.....  
.....

Signed.....

Date.....

This form **MUST** be returned in the prepaid envelope and a copy should be retained for the carers records.

## Sefton Children’s Services Fostering Service Financial Policy

This form should be signed by each foster carer/s at the beginning of each financial year and confirms receipt of information relating to the new financial year’s Fostering Maintenance Allowances and Training and Skills Fees. Additionally, it also provides information relating to foster carers’ National Insurance, Income Tax and Welfare Benefit responsibilities.

Full Name of Carer/s.....

Address.....

.....

.....

.....

Telephone Number.....

I (ADD FULL NAME) confirm receipt of Sefton Children’s Services – 2024-2025 - Maintenance Allowance and Training and Skills Fee Policy and information relating to Income Tax, National Insurance and Welfare Benefits responsibilities. I confirm that I understand the responsibilities regarding my Income Tax, National Insurance and Welfare Benefits liabilities and that I/we will take responsibility for ensuring any liability is discharged appropriately.

Signed.....Foster Carer/s

Signed.....Supervising Social Worker

Date.....

## **Income Tax and National Insurance Issues for Foster Care Arrangements**

**All foster carers should note that they are legally required to register as self-employed.**

Where children (looked after) are living with their foster carer/s under a “Fostering” arrangement, the Income Tax and National Insurance rules that apply are set out in the HMRC ‘Shared Lives Carers’ – ‘Qualifying Care Relief’ Guidance.

The ‘Shared Lives Carers’ – ‘Qualifying Care Relief Guidance’ sets out that “Foster Carers” (and “Staying Put” carers, “Shared Lives” carers) receive tax exemptions up to a given ‘qualifying amount’ for each looked after child living with them.

The Qualifying Care Relief system enables foster carer/s to earn up to a given amount without paying Income Tax or Class 4 National Insurance Contributions on their caring income. The Income Tax free allowance consists of two elements.

- Firstly, a fixed amount per foster care household per year (for 2024 - 2025 this is set at £19,360).
- Secondly, an additional amount per week per child (£405 per week under the age of eleven [0-10], £485 per week age eleven to their eighteenth birthday [11-17] and £485 per week per adult aged eighteen and above (2024-2025)).

The £19,360 per year applies once per household regardless of how many foster children are placed. The additional amount applies per child/young person per week. Where there is more than one paid foster carer in the household, the allowance is shared equally by both carers.

The tax free allowance is only available to households with three or fewer placements. However, sibling groups are counted as one placement.

The tax free allowance only applies to the foster carer’s income from caring. If they have income from other sources, they will pay tax on that income in the normal manner.

If the foster carer/s exceed the allowance they will have a choice of using the ‘simplified’ method or the standard profit and loss method to calculate their taxable profits. The carer/s will also be liable to pay Class 4 National Insurance Contributions on their taxable profit.

Under the simplified method, a carer’s taxable profit is the income they receive from caring which exceeds their tax free allowance. Where foster carer/s do incur an Income Tax and Class 4 National Insurance liability and they have not used their personal allowance this can be used to off-set this liability.

Individual carers should consult their local HMRC office for guidance on their circumstances and liabilities.

Foster carer/s should note that they were previously eligible to claim Working Tax Credits which are administered by HMRC. Fostering care is counted as work for Working Tax Credit

purposes. The carer's taxable income is included in the total household income that is used to assess the amount of tax credits that they are entitled to. So, where the carer is paid less than their tax free allowance, their income from caring for tax credits purposes is also nil. Since the introduction of Universal Credit no new applications for Working Tax Credits will be taken, instead new applications come within the Universal Credit framework.

In practice HMRC will treat the taxable profit from foster care as earnings from self-employment for National Insurance Contributions purposes.

HMRC is aware that a number of foster carers may not have registered for Class 2 National Insurance Contributions because they make little or no taxable profit. Foster care is deemed as self-employment and as such carer/s should register as self-employed. All self-employed people aged 16 and over who are below State Pension age are liable and must register to pay Class 2 National Insurance Contributions. Failure to do this may affect their entitlement to Employment and Support Allowance, Maternity Benefit, State Pension and Bereavement Benefit. However, self-employed carers may be able to apply for Carers Credits which have replaced Home Responsibilities Protection, and those with low taxable profits may be able to apply for a Small Earnings Exemption.

To claim a Carer's Credit, foster carer/s must complete the necessary application form available via the link below:

[Carer's Credit: How to claim - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1065137/CC1\\_Form\\_0222.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1065137/CC1_Form_0222.pdf)

If carers have not previously registered as self-employed they can obtain further information by calling the Newly Self-employed Helpline on **0300 200 3504**.

If they are currently registered to pay Class 2 National Insurance Contributions they can obtain further information by calling the Self-employed Helpline on **0845 915 4655** instead.

HMRC Helpsheet (hs) 236 sets out information about the 'Shared Lives Carers' – 'Qualifying Care Relief Guidance' - Fostering and "Staying Put" Income Tax and National Insurance framework.

## **Welfare Benefits For Foster Care Arrangements**

### **Legacy Benefits**

Foster carers should note that income from fostering does not count as 'income' in the determination of a foster carer/s entitlement to means tested benefits. However, any payment received when there is no foster child in placement is counted as income (retainers, introduction payments etc). In addition foster carers should note that when the youngest foster child reaches the age of 16 they will be required to transfer from Income Support to Jobseekers Allowance. If the foster carer has a child of their own, they are required to switch



from Income Support to Jobseekers Allowance when their own child reaches the age of 3 (if the foster children are age 16 or older).

### **Universal Credit**

Similar to legacy benefits, income from fostering does not count as 'income' in the determination of a foster carer/s entitlement to Universal Credit. Under Universal Credit there is a 'grace period' of 8 weeks before and after a placement (introduction and transition phase) where income from fostering is disregarded, outside of the 8 week period, income from the fostering service will be taken into account in the calculation of the foster carers entitlement to Universal Credit as it is not deemed a payment for fostering (outside the eight . Single foster carers or lead foster carers are also exempt from the DWP work search and work availability requirement prior to a child's 16<sup>th</sup> birthday and within the 8 week grace period.

Foster carers should always inform the DWP and HMRC if their circumstances change and should always check with the DWP and HMRC regarding their personal circumstances and how payments for foster care may affect their means tested benefits or any Income Tax or National Insurance liability.

John Short

Version One

1<sup>st</sup> April 2024

2024-2025