

# **Financial Contributions Policy for Children and Young People Looked After by Cambridgeshire County Council.**

## **1.0 Background**

Cambridgeshire County Council (the Council) is committed to supporting the concept of parental responsibility. It is proposed that this should include, where the Local Authority consider it reasonable, a requirement for parents to contribute towards the costs of their children being looked after in accordance with the provisions set out within the Children Act 1989 and following an assessment of financial means, as set out in detail below.

In exceptional circumstances, the Director of Children's Services is able to waive all or part of the contribution where it appears that enforcing this would be likely to result in a child or young person being likely to suffer significant harm, or where there is evidence that severe financial hardship would result, and in circumstances where the net contribution would be less than £5 per week.

The parents or carers of children and young people who are looked after because they are accessing a series of short breaks, but who otherwise reside with their parents/carers are not liable to make contributions under this policy.

This policy has been checked with the Council's/LGSS Legal services.

## **2.0 Summary of the Legal Position**

A child or young person is Looked After by the Council if he or she is subject to a Care Order or provided with accommodation under a voluntary agreement by the Council. The Council has a statutory duty under the Children Act 1989 to provide accommodation for any child in need who appears to require it as a result of specified circumstances and may provide accommodation for any child to safeguard or promote the welfare of the child.

The statutory basis for a Local Authority recovering contributions towards the maintenance of a child in care from any person liable to contribute is covered in the Children Act 1989, Schedule 2, Part 3.

The Council has a duty in Schedule 2, Part 3 to consider whether or not to recover contributions towards the cost of the maintenance of a child looked after. Each parent of a child under 16, and each young person who has reached the age of 16, are liable to contribute.

Contributions can only be recovered if the Council considers it reasonable to do so in any particular case. This means that undue hardship should be avoided by the use of an assessment of means and the exercise of discretion to avoid severe hardship.

The Children Act limits the amount of the parents' contribution to the amount which the Council would pay to one of its own foster carers to look after a similar child. The contribution takes account of the way in which maintenance costs rise with the age of the child.

Maintenance contributions can only be recovered if the Council has served a Contributions Notice specifying the weekly sum to be recovered and the date from which it is due – this cannot be earlier than the date of the Notice.

Where the parent does not agree the sum to be contributed, the Council can apply to the Court for a Contribution Order. Such an Order is legally enforceable.

## 2.1 Exemptions

The Children Act 1989 has been amended to provide that a parent is exempt from making a financial contribution during any period when she or he is in receipt of the following benefits:

Income Support, Income Related Employment and Support Allowance, Income Based Job Seekers Allowance/Universal credit, Working Families Tax Credit or any element of Child Tax Credit above the Family Element. These are automatically assessed as Nil contribution.

As are the parents of children who are:

- a) Subject to an Interim Care Order;
- b) Subject to an Emergency Protection Order;
- c) In Police Protection;
- d) Remanded
- e) Looked After as a result of criminal proceedings;
- f) Children who are legally in the care of Cambridgeshire County Council but living with their parents;

It is not the intention of Cambridgeshire County Council to seek contributions towards the cost of providing accommodation for children and young people with disabilities who are looked after as a result of accessing a series of short breaks which enable them to remain living otherwise with their parents or carers.

A financial contribution cannot be sought for those children and young people in 38 week placements who return home for school holidays and for most if not all weekends in term time. This enables them to maintain contact with their families and home communities and these children are not looked after.

## 3.0 Circumstances where contributions apply

The policy will apply to all newly looked after children and young people from 1st April 2015 or other date decided. For children and young people who are already looked after at the implementation date, parents will be given three months' notice of our intention to seek contributions from them, subject to an assessment of their means.

Children and young people who are placed with foster carers, whether provided by the local authority or an independent fostering agency, and those placed in residential homes or schools and who are looked after are all subject to the provisions of this policy – unless the exceptions described above in paragraph 2.0 apply.

Where parents are separated, either or both parents can be assessed to provide a contribution towards the maintenance costs of looking after the child, regardless of their marital status or whether or not they hold Parental Responsibility.

It should be noted that once a young person reaches the age of 16 years, the level of contribution towards the cost of them being looked after is based on an assessment of their means and not those of their parents. Despite the introduction of Raising the Participation Age (RPA) and young people staying

in education and training until they are 18, the law has not changed in respect of assessing the means of 16 year olds.

The small group of children who are placed in residential (boarding) school provision, often because of their challenging behaviour or disability, for more than 38 weeks of the year and so do not return home at weekends or during all school holidays, are usually looked after by the local authority. Therefore, they would be subject to the contributions policy for the periods of time when the child or young person is not at home during the school holidays, that is, for the additional 14 weeks of the year.

Pressure from, or on, some families can build for a 38 week type of placement to change into one where the child or young person spends longer away from home or remains in the placement for 52 weeks of the year. This changes their status to becoming a Looked After Child. In these circumstances i.e. the child becomes looked after, parents will be asked to contribute for the additional 14 weeks of the placement.

There are a very small number of children who have 'shared care' (120 nights or more) for whom we may need to consider charging. However, it is likely that parents would end up being zero charged once the cost of their care when at home was factored in.

#### **4.0 Level of Contribution**

Under the Children Act 1989, contributions towards the costs incurred by the local authority when looking after a child must be reasonable and should not exceed the fostering allowances paid by Cambridgeshire County Council to its own foster carers – including the weekly equivalent of birthday, holiday and religious festival allowances. These allowances are reviewed on an annual basis. As such, the maximum contribution payable varies with the age of the child or young person.

In all other circumstances under this policy, parents of children under the age of 16 and the young person themselves if aged 16 or 17 years, will be subject to an assessment of their means via a financial assessment. In reality, the proportion of young people aged 16+ years with a chargeable income is negligible.

It should be noted that these are the maximum contributions that would be payable; the actual amount contributed is based on an assessment of financial means, as detailed in paragraph 5.0.

## In-house fostering payment rates for 2014 – 2015

Skills Level	weekly
0	£0.00
1	£0.00
2	£40.53
3	£81.06
4	£167.58
5	£387.17
6	£468.37

Birthday / age	weekly
0	£140.42
1	£140.42
2	£140.42
3	£140.42
4	£140.42
5	£159.88
6	£159.88
7	£159.88
8	£159.88
9	£159.88
10	£159.88
11	£199.22
12	£199.22
13	£199.22
14	£199.22
15	£199.22
16	£242.69
17	£242.69
18	£242.69

Parents and young people aged 16 years and over will be invoiced every five weeks by the Children's Financial Contributions Officer.

### 5.0 Assessment of the Amount of the Contribution

The assessment will ask for details of all sources of income and capital assets. This includes earnings from employment, state benefits (save for those specifically excluded as referred to above) and current balances from any savings accounts or investments.

The first £6,000 of capital assets is ignored and a notional income of £1 per week is assumed for each £250 above £6,000. Capital is defined excluding the value of parent's home.

The equivalent of 'expenses' are allowed to parents not on Income Support or as appropriate to their individual circumstances, by way of 'living allowances'. The value of each allowance is the same as the Income Support and Income Based Job Seekers Allowance/Universal Credit Applicable Amounts used by the Department of Social Security.

Additional exceptions are applied for other costs principally, rent/mortgage costs, Council Tax and Water Charges.

The resulting balance, if any, is then the contribution towards the cost of looking after the child or young person, up to the maximum contribution level.

Contributions are disregarded if:

- i. The young person is likely to suffer significant harm
- ii. The young person is likely to suffer financial hardship
- iii. The net contribution is less than £5.00 per week

The Director of Children's Services has the discretion to waive the contribution if they believe that such action is necessary to promote and protect the welfare of an individual child or young person, or that enforcing the contribution would cause undue hardship to the family concerned.

There is an appeals process for parents who disagree with the assessment.

Where a parent refuses to cooperate with an assessment of their means, the full contribution is recoverable. However, parents who are in receipt of the benefits listed above are exempt from needing to complete a means test but will need to provide proof of receipt of the benefits.

Contributions will be calculated, using the following example formulae:

**Total Assessable Weekly Income - A - including:**

Net Income (after deducting N.I. Tax & Pensions)  
 Housing Benefit  
 Occupational Pensions  
 Maintenance payments for that child  
 Profits from Private Business, including rental income.  
 Court Orders  
 Tariff income on capital over £6,000 (£1 per week is assumed for each £250 above £6,000.)

**Total Expenses - B - including:**

Mortgage Payments  
 Rent Payment  
 Council Tax  
 Water Rates  
 Plus a 'Living allowance' appropriate to their circumstances. The value of each allowance is the same as the Income Support and Income Based Job Seekers Allowance/Universal Credit Applicable Amounts used by the Department of Social Security.

**Assessable Amount**

**A – B = C (Assessable Amount)**

The charge can never exceed the maximum rate for fostering allowances.

*(see appendix 1 for working example)*

**6.0 Appeals process**

There will be a three level review/appeals process with timescales, in addition to the Council's complaints procedure, for parents who feel that the Council has not considered all their circumstances and/or that we have incorrectly calculated their contribution.

Level 1 – Review of Contribution undertaken by the Children's Contributions Officer.

Level 2 – Initial Appeal considered by the Business Support Manager for Looked After Children.

Level 3 – Final Appeal – the final appeal will be considered by the Head of Service for Looked After Children

## **7.0 Information for parents and young people**

Information leaflets are available for parents, those with parental responsibility and young people aged 16 plus years. These will be provided by the family's Social Worker to the parents and young people at the point financial assessment is discussed.

The information leaflets and financial assessment forms for social workers will be available on Camweb or from the Children's Financial Contributions Officer.

### **References and Source documents:**

1. Peterborough City Council – *Contributions Policy for Children and Young People Looked After by the Council*; draft paper to Cabinet not submitted
2. Essex County Council – *Contributions and Charging policy 2011- 2012* (Lou Williams)
3. Community Care 14 August 2013: *Council defends controversial plan to charge parents whose children go into care*
4. Royal Borough of Windsor and Maidenhead – report to Cabinet *Charging policy Looked After children 2010*
5. Staffordshire County Council Cabinet report – 19 August 2009 '*Charging Policy for Looked After Children (S20)*' - 12 month Evaluation -
6. CIPFA *Looked After Children Benchmarking Club 2013 Cambridgeshire County Council*
7. Worcestershire County Council *Partnership Policy – Working with Families 2014*

## Appendix 1

### Example of a Financial Assessment

**EXAMPLE: FAMILY** Income of £35,256 per year

Weekly contributions will be calculated, using the following formulae:

**(A)** Total Assessable Weekly Income (£440) - including:

- Net Income (after deducting N.I Tax & Pensions): £550
- Housing Benefit: N/A
- Occupational Pensions: N/A
- Maintenance payments for that child: N/A
- Profits from Private Business, including rental income: N/A
- Court Orders: N/A
- Tariff income on capital over £6,000 (i.e. £1 per week is assumed for each £250 above £6,000) N/A

**(B)** Total weekly expenses (£287.75) - including:

- Mortgage Payments: £225
- Rent Payment: N/A
- Council Tax: £42.75
- Water Rates: £20
- 'living allowance' appropriate to their circumstances. The value of each allowance is the same as the Income Support and Income Based Job Seekers Allowance/Universal Credit Applicable Amounts used by the Department of Social Security.  
(between £57.35 - £113.70 in 2014)

#### Assessable Amount

**(A) – (B) = C** (Assessable Amount) = £440 - £287.75 = £152.25 per week

Because the assessed contributions per week will be calculated using the 'living allowance' this will take into account, where appropriate, the costs of other children remaining in the household.

The charge can never exceed the maximum rate for fostering allowances per week.