

# FOSTERING FINANCES

## **An Explanation of:**

- **Fostering Allowances**
- **Skills Levels and Skills Fees**
  - **Insurance**
  - **Tax**
- **Social Security Benefits**
  - **Pensions**
- **Current Skills Fees and Allowances**

## **FOSTERING ALLOWANCES**

All foster carers receive an allowance for each child they foster. The amount depends on the age of the child, and is paid per day or per week depending how long the child is in the care of a foster family.

The basic allowance is to cover food, clothing, pocket money, a contribution towards housing costs such as household bills and other expenses associated with day-to-day living. Foster carers also receive set allowances to cover “additional costs” such as caring for a child over Christmas or another significant religious festival and the child’s birthday. When attending meetings or training, foster carers can also claim travel and childcare expenses against limits set by Hampshire County Council.

Rates for allowances and expenses are set annually by Hampshire County Council in line with recommendations from a fostering charity, Fostering Network. Fostering Network (a charity supporting foster carers and working to improve the lives of children in care). Recommended Rates for fostering allowances are based on the real costs of looking after someone else’s child plus the additional costs associated with a child in foster care and the roles, responsibilities and availability required of foster carers.

## **SKILLS LEVELS AND SKILLS FEES**

Hampshire County Council recognises foster carers skills and experience through a Skills Level Award Scheme.

### **Skills Level 1**

The knowledge, skills and experience of child care which you have will be discussed with you during the assessment to become a foster carer. In most cases if your experience has been gained through looking after your own children, or the children of family and friends, you will typically join us at Skills Level 1. Skills Level 1 does not attract a specific skills payment.

### **Skills Level 2 & Skills Level 3**

Level 2 and 3 foster carers are eligible for a skills fee payments. These fees are payable per week, per child for as long as the child is in your care, but are for the foster carer, not for the care of the child. Rates are reviewed annually.

### **Skills Appraisals**

There is a formal approval process to assess carers who are eligible for skills fee awards. The Skills Appraisal Panel looks for carers with exceptional skills and experience who are able to support the most challenging young people.

The process evaluates foster carers skills against a specific set of criteria. To achieve these criteria, foster carers need to evidence training, experience, qualifications, knowledge and skills against specified standards, working with children or young people with difficult or complex needs. The experience can be gained formally through professional routes, or be from voluntary experience or sources.

Foster carers also need to be able to evidence that they have significantly improved outcomes for children within the framework of the Every Child Matters agenda, and they must be able to provide stability and support for children or young people who are difficult or challenging.

Level 3 foster carers need to have the skills and experience to care for child/ren who may be difficult to place with less experienced or skilled foster carers. Level 3 foster carers will also be required to support the development of the fostering service through a range of activities.

### **Joining Hampshire as an Experienced Foster Carer**

If you are currently fostering, have significant professional or voluntary experience, or wish to return to fostering after a break, your skills levels will be looked at as part of your assessment to become a foster carer.

### **Payments**

The amount paid to Skills Level 2 and 3 carers is reviewed annually. Your Family Placement Social Worker will be able to advise you of the level of payment attracted by Skills Level 2 and 3. If a foster carer is awarded a skills level, payments are received for any subsequent placements that the foster carer accepts.

### **Review**

The continuation of Skills Level is reviewed at the Carers Household Review. Evidence will be required to demonstrate the foster carers continued skills and experience at the level of their skills fee award.

## **INSURANCE**

Foster carers are expected to have appropriate insurances for their property, including contents insurance for their own personal possessions and for the property of the child they are caring for. It is also recommended that you advise your home, contents and car insurance companies that you are fostering. If your home is damaged or you suffer loss as a result of fostering which is not covered by insurance, some compensation may be available through Hampshire County Council. Please discuss this with your social worker.

## **TAX**

On 6<sup>th</sup> April 2003, a generous tax-free threshold was introduced so most foster carers will find there is no tax to pay on the allowances they receive. Each fostering household is allowed a fixed amount of £10,000 plus £200 per week per child under 11 or £250 per week per child over 11.

Most foster carers will need to fill in a tax self assessment. To help with this, a P60 is produced annually which states the allowances and skills fees paid to foster carers during the past financial year.

If you have concerns about fostering and your tax situation, you can find out more on the Fostering Network website – [www.fostering.net](http://www.fostering.net) – or through the HMRC (Her Majesty's Revenue and Customs) [www.hmrc.gov.uk/individals/foster-carers.htm](http://www.hmrc.gov.uk/individals/foster-carers.htm).

Tax charity, Tax Aid can also be contacted – 0207 803 4959 M-T between 10.00 – 12.00.

## **SOCIAL SECURITY BENEFITS**

Everyone's individual case is different - and benefits advice sometimes changes - so you are so you are advised to discuss fostering and the allowances you may receive with the departments which pay any benefits you may receive. They will advise you if any benefits you receive will be affected by fostering.

## **PENSIONS**

Foster carers who stay at home to look after foster children, and who therefore do not pay any National Insurance (NI) contributions are eligible for Home Responsibilities Protection (HRP). HRP reduces the number of years you have to work in order to get a full state pension.



## COUNTY FOSTER CARERS FEES AND ALLOWANCES

From April 1<sup>st</sup> 2011

ALLOWANCES		SKILLS FEES	
Age	Weekly	Skills Level	Weekly
0-5	£131.47	Level 1	£0.00
5-10	£149.76	Level 2	£90.55
11-15	£186.43	Level 3	£282.12
16+	£226.74		

## SHORT BREAKS CARERS FEES AND ALLOWANCES

From April 1<sup>st</sup> 2011

FAMILY LINK ALLOWANCES	
Time	Rate
0-4 hours	£14.23
4-8 hours	£26.09
8-12 hours	£35.58
Overnight	£21.34
Waking Night	£35.58
Whole week	£282.19

