



Briefing for:	Corporate Parenting Advisory Committee	Item number	
Title:	The impact of welfare reform on Special Guardians and internal foster carers		
Lead Officer:	Marion Wheeler / Libby Blake		
Date:	15 th April 2013		

1. Issue under consideration

1.1 The impact or potential impact of welfare reform on the borough's Special Guardians and internal foster carers.

2. Background information

2.1 It is noted that changes to the welfare system commencing in April 2013 may have an adverse impact on internal foster carers and special guardians.

2.2 'Internal foster carers' means foster carers approved, paid and supported by Haringey's Fostering Service to care for children in the care of this local authority. Children are not known to the foster carers before they are placed with them.

2.3 Special Guardians are those ordered by court under the Children Act 1989 as amended by the Adoption and Children Act 2002 to hold lead parental responsibility, along with the child's parent for a child. Children are usually well known to the prospective Special Guardians before they are placed there and before the Order is made. Children who are the subject of Special Guardianship Orders are not in the care of the local authority but the local authority has a responsibility to assess their support needs and offer support for at least three years after the Order is made. Under regulation, it is usual for financial support to be offered until the child becomes 18 years of age.



2.4 This report describes the work done to establish the extent of that impact and the findings so far.

3. Options for consideration

Fostering

3.1 In February 2012 a letter and a short survey was sent to all foster carers. This included those who are 'connected persons' to the child or children they foster.

3.2 This amounted to 165 surveys of which 75 were completed and returned. A total of 64 households said that they would be affected by changes to their housing benefit as a result of the changes made according to the number of bedrooms. Thirty four of these households are within the borough boundary and thirty are without.

3.3 The committee will be aware that central Government created an exemption for foster carers on 12th March 2013. The above responses pre-date that change.

3.4 A ministerial statement from the Department of Work and Pensions on that date stated:

People who are approved foster carers will be allowed an additional room, whether or not a child has been placed with them or they are between placements, so long as they have fostered a child, or become an approved foster carer in the last 12 months.

3.5 We have written to foster carers to inform them of this development.

3.6 Figures relating to the financial shortfall in each family are only available from the carers. We have asked carers to tell us if they deem that the changes will create financial difficulties which they could not manage.

3.7 To date, no foster carers have asked us to cover a shortfall.

3.8 We have a large number of foster carers on benefits who would have been eligible for Council Tax benefit but will have this benefit cut. To date, no carers have asked for support with this.

3.9 In the longer term, the reform may have an impact on the number and type of people coming forward as foster carers. We have seen a reduction in the number of people expressing an interest in fostering over 2012/13 compared to 2011/12. Further, there were 17 expressions of interest in October 2012 and 11 in March 2013. There is no current evidence that this relates to changes in benefits.



3.10 We have had early experience of people who come to fostering information sessions asking about the impact of fostering on their benefits. In particular, there are people wanting to make use of a spare room. This may in fact result in a rise in the number of people coming forward.

4. Special Guardians

4.1 There are 60 Special Guardianship households receiving a payment from us at time of writing.

4.2 Of these 25 are living on benefits and in receipt of either Council Tax benefit or Housing benefit or both. All 25 of these carers have received a telephone call from us to discuss the implications for them. Three will be losing income as a result of the changes to housing benefit. Only one of those is facing a significant reduction in income and has asked us to support her. We have agreed to provide an additional contribution for a fixed period of 6 months while she is enabled to make alternative arrangements.

5. Discretionary Housing Payments

5.1 A draft policy regarding Discretionary Housing Payments has been signed by the Leader of the Council on 12th April and will be published subject to a five day 'cooling period'. These funds would be administered by the Housing Benefit Service who have commented that applications by foster carers and Special Guardians would be likely to be considered favourably. It is noted however, that Discretionary Housing Payments are not intended to be a long term solution. Further, the policy does not refer directly to either Special Guardians or foster carers but does acknowledge that 'those with kinship responsibility' are likely to be affected. This includes some foster carers and most Special Guardians. The objectives and priorities of the policy make reference to areas of need that will include children in foster care but do not specifically refer to them.

5.2 The first Housing Benefits caps are being progressed in the middle of April 2013. Whenever the Department of Work and Pensions inform Haringey's Housing Benefit Service that a benefit should be capped, the Housing Benefit service will contact Children and Young People's Services and establish whether a family is known to CYPS. When this check is done, foster carers and Special Guardians will be identified and relevant support discussed as necessary.

6. Comments from the Chief Financial Officer



6.1 Expenditure on special guardianships and internal foster carers is contained within the base budget of the Commissioning and Placements service. At this point it is unclear what the financial effect of the welfare reform changes will be on these carers.

6.2 Carers need to be signposted so that they are aware of their entitlement to Discretionary Housing Payments and how to apply. When financial support is offered by the Children's service a written agreement should be drawn up detailing the level and duration of the support, and the mechanism for review. Policy and procedures should be drawn up by the service to ensure a consistent and equitable approach to each request for financial assistance.

6.3 Any payments made to support carers will need to be monitored carefully to ensure spending is contained within the existing budgets for the service.

7. Comments from the Chief Legal Officer

7.1 As stated above at 5.1 and 5.2 Discretionary Housing Payments are not intended to provide a long term solution where shortfalls are identified. Where a decision is taken to make such payments, the period over which payment is to be made will be critical. It will be essential that decisions on payments clearly state the intended duration and the steps the claimant is expected to take to reduce the need for ongoing payments.

7.2 Any policy drawn up regarding further discretionary payments to be made through Children's Services will need to be in keeping with the policy for Discretionary Housing Payments and to provide for payments to be limited to exceptional circumstances.

7.3 The exercise of discretion can be a difficult area for local authorities and open to challenge. In exercising its discretion in either or both cases, the Council will need to ensure that the exercise is rational, balanced, in accordance with law, within existing powers and fair and equitable. The policy or policies will have to stand up to potential scrutiny by the High Court in its judicial review role.

7.4 The recent exemptions granted to foster carers have not, so far as is known, been extended to special guardians. This has potential implications for numbers of children remaining 'looked after'. When a child is 'looked after' by the authority, the child must be placed with a 'local authority foster carer'. Relatives who wish to care for a 'looked after' child can be assessed and approved as 'connected persons' foster carers.



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7.5 Both professional foster carers and connected persons carers are encouraged to apply for special guardianship orders (SGOs). If/when an SGO is made, the child ceases to be looked after and the carer is given parental responsibility for the child.

7.6 However, if those carers can be exempted from some of the benefit changes by remaining as foster carers, this may provide a disincentive for them to agree to become special guardians

8. Conclusion

8.1 It is recommended that this matter is reviewed again in 6 months, when the impact of reform will be more apparent. At that stage, we can update information about whether we have Foster Carers and Special Guardians who have been subject to a cap and whether they have made a successful application for Discretionary Housing Payments.