



**Haringey Council**

<b>Report for:</b>	<b>Corporate Parenting Advisory Committee 19 December 2013</b>	<b>Item Number:</b>	
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<b>Title:</b>	<b>Brief update report on the impact of the Government's welfare reforms on Special Guardians and Foster Carers</b>
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<b>Report Authorised by:</b>	<b>Marion Wheeler, Assistant Director, CYPS</b>
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<b>Lead Officer:</b>	<b>Paul McCarthy, Interim Head of Service (Commissioning and Placements)</b>
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<b>Ward(s) affected: All</b>	<b>Report for Information only:</b>
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**1. Describe the issue under consideration**

**1.1 Benefits Cap**

On 15<sup>th</sup> April 2013 the Government introduced a benefit cap to operate in the four London boroughs of Haringey, Bromley, Croydon and Enfield as part of a phased national roll-out. The cap was set at a level of £500 per week to couples and single people with children receiving any combination of the following benefits,

- Bereavement Allowance
- Carer's Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance
- Guardian's Allowance
- Housing Benefit
- Incapacity Benefit
- Income Support
- Job Seekers Allowance
- Maternity Allowance
- Severe Disablement Allowance
- Widowed Parents' Allowance.

Fostering Allowances and Special Guardianship Allowances are not taken into account when calculating the level of benefits to which a claimant is entitled.



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## **1.2 Under-occupancy penalty or “Bedroom tax”**

As part of the same package of reforms, the Government also introduced, with effect from 1<sup>st</sup> April 2013, a reduction in Housing Benefit to claimants living in the social rented sector who are deemed to have one or more spare bedrooms.

Foster carers, however, were given an exemption if they have fostered or have been approved as foster carers within the previous 12 months.

Therefore, approved foster carers will only be affected by this measure if they take a break from fostering for 12 months or more. To date there have not been any Haringey foster carers affected in this way.

There are currently 64 approved Haringey foster carers who would have been adversely effected had the government not amended the original proposals in order to exempt approved foster carers. Of these, 34 live in Haringey and 30 live in other boroughs. These carers will be potentially adversely affected if and when they cease to be approved foster carers as their Housing Benefit will be reduced, with effect from a date 12 months following the date when they ceased to foster.

We have contacted 16 Independent Fostering Agencies (IFA) with foster carers living in Haringey requesting information about foster carers affected by this measure. To date, only one IFA foster carer has been identified who is similarly affected in the event of ceasing to foster.

## **1.3 Impact on Special Guardians**

Special Guardians are people who have taken on parental responsibility for a child through the making of a Special Guardianship Order (SGO) in the Family Proceedings Courts. Children who are subject to SGOs are not in the care of the local authority but the local authority has a responsibility to assess the Special Guardian’s support needs and to offer support for at least three years after the order is made. It is usual for financial support to be offered until the child reaches the age of 18.

There are 89 households currently receiving a Special Guardianship Allowance from Haringey . Of these 58 receive one or more of the above welfare benefits. Contact has been made with all of these carers to discuss the implications of the reforms for them. Some six have declared that they have lost some income as a result of the changes. Only one of these is facing a significant reduction in income and, following a financial assessment, it was decided to increase the level of the carer’s Special Guardianship Allowance for a period of six months to assist her in managing the transitional period.



## **2. Conclusions**

The Government's welfare reforms to date have only had a minor impact upon Haringey's foster carers and Special Guardians.

At the point of enquiring about becoming foster carers we inform applicants that foster carers are exempted from the "bedroom tax" if they are receiving Housing Benefit and living in social housing.

We also inform applicants when they enquire, and through our website information, that any welfare benefits they may receive will not be affected as a result of receiving a fostering allowance.

There are no indications at this stage that these welfare reforms have deterred people from becoming foster carers or Special Guardians in Haringey.

The chief impact is upon foster carers who cease to foster and who are in receipt of Housing Benefit. These carers need to take into consideration that in addition to losing their income from fostering, they also stand to lose Housing Benefit as a result of the application of the under-occupancy penalty.