

DUNDEE CITY COUNCIL

REPORT TO: SOCIAL WORK AND HEALTH COMMITTEE - 7 DECEMBER 2009

REPORT ON: ADOPTION ALLOWANCE SCHEME

REPORT BY: DIRECTOR OF SOCIAL WORK

REPORT NO: 587 - 2009

1.0 PURPOSE OF REPORT

This report informs the Committee of the legislative changes relating to local authority adoption allowance schemes and the proposals for a revised scheme in Dundee.

2.0 RECOMMENDATIONS

It is recommended that the Social Work and Health Committee:

2.1 Notes the contents of this report and approves the proposals herein.

3.0 FINANCIAL IMPLICATIONS

The implementation of the proposed adoption allowance scheme will be cost neutral to the Social Work Department's Revenue Budget.

Although it is anticipated that the additional cost of the proposed allowance scheme will be £55,676 in a full financial year (see Appendix 1 to this report), it is more than likely that the population of children for whom these enhanced allowances will be considered will already be looked after by the Social Work Department in either foster care or residential care. Therefore, financial resources will transfer from foster care or residential care to adoption to contain the additional cost.

4.0 MAIN TEXT

Background

- 4.1** The review of adoption legislation and practice in Scotland, which took place between 2001 - 2007 confirmed that adoption remains a positive option for children who are unable to remain in the care of their birth family. Research continues to indicate that the outcomes for children who are adopted are favourable compared to children who are looked after by the local authority.
- 4.2** The Adoption & Children (Scotland) Act 2007 and the Adoption Support Services and Allowances (Scotland) Regulations 2009 came into force on 28 September 2009. The Act requires local authorities to prepare a new adoption scheme by 28 December 2009.
- 4.3** The new legislation places greater responsibilities on local authorities to provide adoption support services to a wider range of people affected by adoption. Although adoption allowances constitute a part of adoption support services this is a complex area and plans as to how the local authority will assess and deliver these wider support services will be the subject of a separate report.
- 4.4** Previous legislation permitted adoption allowances to be paid to enable the child to be placed with siblings or where the child had or was at high risk of developing a mental or physical disability or was suffering from emotional or behavioural difficulties such that they needed special care and expenditure of resources. The allowance could not include any element of remuneration nor exceed the amount of the fostering allowance.

- 4.5** The changes in legislation permit a more flexible use of financial support to adopters with a view to being able to secure adoptive placements for children who are harder to place and who might well otherwise remain in foster care or residential care for the duration of their childhoods. An adoption allowance is payable in the following circumstances:-
- (a) where it is necessary to ensure that the adoptive parent can look after the adoptive child; or
 - (b) where the adoptive child needs special care which requires expenditure of resources by reason of illness, disability, emotional or behavioural difficulties or the continuing consequences of past abuse or neglect; or
 - (c) where it is necessary for the Council to make any special arrangements to facilitate the placement or the adoption by reason of either:-
 - (i) the age or ethnic origin of the adoptive child; or
 - (ii) the desirability of the adoptive child being placed with the same adoptive parent as the adoptive child's brother or sister (whether of full or half blood) or with a child with whom the adoptive child previously shared a home.

Account is taken of the particular care needs of these children which may mean that a parent is unable to return to paid employment or may require additional financial assistance in providing childcare or meeting the health or education needs of the child.

- 4.6** The new legislation permits payment of reasonable legal costs, alterations and adaptations to the adopter's home, provision of means of transport and other items to meet the needs of the child placed. It also permits an element of remuneration for former foster carers or kinship carers for a period of 2 years from the Adoption Order being granted where such a payment is necessary to facilitate the adoption.
- 4.7** The duty to provide adoption support services lies initially with the agency making the adoptive placement. This duty ceases 3 years after the Adoption Order is granted (or when the child turns 18) when the duty transfers to the local authority where the person requesting the service lives. However, the duty to provide an adoption allowance remains with the placing authority.

Proposals for new adoption allowance scheme

- 4.8** All new applications for adoption allowances will be means-tested, taking account of the applicants' net income, outgoings and commitments. Those with income in excess of the outgoings and commitments will not be entitled to receive any allowance and those whose outgoings exceed income will be entitled to receive the full allowance. In undertaking this financial assessment the local authority will ensure that all adopters applying for an allowance are given advice and guidance to make sure that their income is maximised. This is detailed in Appendix 1.
- 4.9** The child's eligibility for an allowance will be based on the criteria set out in 4.5.
- 4.10** Entitlement to receive an allowance will depend on the eligibility criteria being satisfied for both the child and the prospective adopters.
- 4.11** A remunerative element of the adoption allowance, equivalent to the fostering fee, should be available in exceptional circumstances to current foster carers offering adoption to a "hard to place" child. The criteria to be met would be that adoption is unlikely to be achieved for the child by any other means and the carers would lose more than a third of their household income immediately by virtue of losing fostering payments, benefits or salary. This arrangement would provide a financial bridge to enable foster carers to consider this option and would last for a maximum of 2 years post-adoption. It is envisaged that only very small numbers of carers would be eligible for remunerative payments ie 5 or less per year.
- 4.12** An enhanced adoption allowance for children with significant complex needs should be re-introduced. Criteria for consideration of an enhanced allowance are that the child has severe physical or learning disabilities or severe emotional or behavioural issues which are likely to be long-lasting and which mean the adoptive family will have to make significant changes to their current lifestyle such as permanently leaving paid employment, paying for therapeutic services, respite carers or respite provision for the child on a regular basis. The rate of enhancement would be 100% of the basic adoption allowance minus Disability Living

Allowance. It is hoped that an enhanced payment scheme will facilitate the placement for adoption of children who would otherwise remain in foster care or residential care throughout their childhoods.

- 4.13** Dundee currently has approximately 40 adoptive households in receipt of allowances for 50 children. A small number of these are already paid enhanced allowances of up to 100% arising from a previous scheme, now discontinued. If the current profile of children requiring adoption is maintained it is likely that approximately 5 children each year will be eligible for an enhanced allowance under the new criteria.
- 4.14** Although it may appear that there are additional costs in paying short-term remunerative allowances and enhanced adoption allowances for a small number of children it should be noted that in all likelihood these children would otherwise remain looked after in foster care or residential care.
- 4.15** Dundee will continue the existing arrangement of paying reasonable legal fees and other expenses in relation to start-up costs and introductions of a child to adoptive parents at the discretion of the Director of Social Work.
- 4.16** Once the payment has commenced the agency is required to review the allowance annually after receiving a statement from the adopters about their financial circumstances, the child's needs and resources or at any other time, when the agency is notified of any significant change to the adopters' or child's circumstance.
- 4.17** The allowance will be terminated once the child reaches 18 years unless he or she remains in full time education or unpaid training. In such a case, the allowance will continue until the child reaches the age of 21 so long as he or she remains in full time education. The allowance will also be terminated if the child leaves the adoptive home on a permanent basis, if the adopters no longer meet the means test criteria or when pre-determined period agreed between the Agency and the adopters expires.
- 4.18** Allowances will be paid over 52 weeks. The proposed changes to the adoption allowance scheme will not be applied retrospectively.

5.0 POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

6.0 CONSULTATIONS

The Chief Executive, Depute Chief Executive (Support Services) and the Director of Finance have been consulted in preparation of this report.

7.0 BACKGROUND PAPERS

None.

FINANCIAL SUMMARY

<p>Formula for Adoption Allowance assessment</p>	<p>A = Net monthly income including any Child Benefit or Family Tax Credit</p> <p>B = Rent/mortgage and Council Tax payments + total buildings and contents insurances (where not included in mortgage repayments).</p> <p>C = allowance for cost of living for adults is the equivalent of the 16+ fostering allowance rate per adult (amount) and for dependant children the equivalent of the Council's fostering allowances (not including the child being adopted).</p> <p>If B + C is greater than A then an allowance is paid. In all other cases, no allowance is payable.</p> <p>N.B. B+C above form the basis of "outgoings and commitments" for the purpose of the means test.</p>
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Fostering Fee 2009/10	£145.92 p.w
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Adoption Allowances 2009/10	
0 - 4 yrs	£ 81.29 p.w
5 - 10 yrs	£ 92.66 p.w
11 - 15 yrs	£115.32 p.w
16 - 18 yrs	£147.12 p.w

Anticipated Annual Costs of Proposals	Cost Per Annum
Additional costs of 5 enhanced allowances p.a (based on 11 - 15 yr rate) - DLA (based on middle rate care component)	£17,737
Additional costs of 5 remunerative allowances (based on fostering fee rate).	£37,939
Total Additional Costs	£55,676
Net Additional Costs	£55,676