
Report To:	Health & Social Care Committee	Date: 4 March 2010
Report By:	Corporate Director (Designate), Health & Social Care	Report No: SW/15/10/SMcA/AM
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Subject:	ADOPTION ALLOWANCE SCHEME	

1.0 PURPOSE

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

2.0 SUMMARY

- 2.1 The report sets out proposals for a revised adoption allowance scheme.
- 2.2 The scheme includes proposals for eligibility criteria for the payment of adoption allowances, suggests payment of allowances equivalent to that of foster carers and sets out arrangements for the review of allowances.
- 2.3 The report highlights pressures arising from an increasing number of children likely to require adoption at a time when there is a reduction in the number of applicants wishing to adopt children.

3.0 RECOMMENDATION

- 3.1 It is recommended that committee:
- approve the proposals with regard to the adoption allowance scheme.
 - approve the rate of allowance at the equivalent to level 1 fostering allowance.
 - notes the content of the report with regard to the increasing number of children likely to require adoptive placements

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4.0 BACKGROUND

- 4.1 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.
- 4.2 The new legislation places greater responsibilities on local authorities to provide adoption support services to a wider range of people affected by adoption.
- 4.3 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.
- 4.4 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.

- 4.5 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.
- 4.6 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.

5.0 PROPOSALS

- 5.1 It is proposed that all applications for adoption allowances will be means-tested, taking account of the applicants' net income, outgoings and commitments. 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.

It should be noted that the act confers powers to disregard income and means testing in exceptional cases.

- 5.2 The child's eligibility for an allowance will be based on the criteria set out in 4.4.
- 5.3 Entitlement to receive an allowance will depend on the eligibility criteria being satisfied for both the child and the prospective adopters.
- 5.4 It is proposed that the rate of allowance paid is equivalent to level 1 fostering allowance.

It should be noted however that unlike foster carers, adopters are eligible to claim child benefit and consequently the applicable amount of benefit for each child should be deducted.

- 5.5 The table below sets out the current level of adoption allowances paid by the council and the proposed levels prior to the child benefit deduction and other benefits the child may be entitled to.

	0 - 4	5 - 10	11 - 15	16 - 18
Current	£93.33	£116.05	£144.45	£187.04
Proposed	£125.09	£142.49	£177.38	£215.74

- 5.6 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 child in their care whose best interest would be best served by remaining with them. 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.
- 5.7 An enhanced adoption allowance for children with significant complex needs should be retained. 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 up to 100% of the basic adoption allowance minus Disability Living Allowance. It is envisaged 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.
- 5.8 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.
- 5.9 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.
- 5.10 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.

- 5.11 Allowances will be paid over 52 weeks. The proposed changes to the adoption allowance scheme will not be applied retrospectively.
- 5.12 It is proposed that Inverclyde 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 Agency Decision Maker/Chief Social Work Officer.

6.0 CONTEXT

- 6.1 The review of adoption legislation and practice in Scotland which took place between 2001 and 2007 confirmed that adoption remains a positive option for children who are unable to remain in the care of their birth family. Indeed research continues to indicate that the stability and security life long nature of adoption enhances outcomes for children that would otherwise grow up in the care of the local authority.
- 6.2 To date the majority of Inverclyde children placed for adoption have not required adoption allowances.
- 6.3 The council currently provides financial support to 25 children who have been placed for adoption. These children have been placed over a number of years between 1996 and 2007.
- 6.4 In the absence of an adoptive placement all of the above children would have required life long care either in a foster placement or in a residential setting.
- 6.5 Whilst the number of children who require adoption allowances remains relatively low, the numbers have been increasing and costs of allowances at existing rates currently exceeds the budget allocation.
- 6.6 Traditionally adoption allowances have been paid at a rate equivalent to that of the basic fostering rate as this has been felt to reflect a reasonable rate to cover the costs of caring for a child as assessed by the Fostering Network.
- 6.7 In October 2009, committee, as part of an Integrated Family Placement Strategy gave approval for a revised structure of allowances for foster carers and kinship carers and it is proposed to match adoption allowances to the equivalent of level 1 of these allowances.
- 6.8 The total cost to the council of this increase in rates is £43,065 per annum based on the current number of children already in receipt of allowances.
- 6.9 Committee are asked to note however that there is a significant increase in the number of children currently known to the service where it is likely that they will require firstly permanent substitute care and secondly because of particular needs may be eligible for adoption allowances.
- 6.10 Additionally committee are also asked to note the acute shortage of prospective adopters in the West of Scotland. The issues arising from this will be subject to a separate report to committee.

7.0 IMPLICATIONS

7.1 Legal:

Legal services have been consulted regarding the content of this report and have agreed its content.

7.2 Finance:

The financial implications of these proposals are as follows:

Financial Year 2009/2010

Cost Centre	Budget Heading	Budget For Year	Proposed Spend For This Year	Virement From	Other Comments
00041 000 60051	ADOPTION ALLOWANCES	£131,930	£196,342	N/A	

Based on 25 children at current rates. This differential is currently offset against an underspend in the Residential Schools budget.

The future proposed increased spend will be met from the additional monies which have already been made available for Looked After and Accommodated Children.

7.3 Personnel:

There are no human resources issues arising from this report.

7.4 Equalities:

The proposals contained in this report are consistent with Inverclyde Council's overall goals in respect of equalities and are designed to ensure children who have experienced early disadvantage are given equal access to adoption.

8.0 CONCLUSION

8.1 The report sets out proposals for an adoption allowance scheme for looked after children in Inverclyde.

9.0 LIST OF BACKGROUND PAPERS

9.1 Adoption Allowance Scheme for looked after children in Inverclyde.

