

# EAST AYRSHIRE COUNCIL

CABINET: 16 DECEMBER 2009

## IMPLEMENTATION OF THE ADOPTION AND CHILDREN (SCOTLAND) ACT 2007: ADOPTION ALLOWANCES

### Report by Executive Director of Educational & Social Services

#### **1. PURPOSE**

- 1.1 To seek approval of the proposed implementation arrangements of an amended Adoption Allowances Scheme.

#### **2. BACKGROUND**

- 2.1 As of the 28 September 2009, The Adoption and Children (Scotland) Act 2007, replaced The Adoption (Scotland) Act 1978.
- 2.2 This new legislation and associated regulations recognise the life-long implications for all involved in the adoption process. It therefore places increased requirements on local authorities to provide adoption support services to a range of people affected by adoption.
- 2.3 It is a requirement of the Act that local authorities consult with other agencies including; health, education and voluntary agencies in the formation of support plans.
- 2.4 Adoption Support may include financial support to adopters, counselling mediation, therapeutic services to adopted children, training and record searches as required.
- 2.5 This paper specifically addresses the financial support to prospective adoptive parents, as the Act requires adoption allowances to be in place by 28 December 2009.
- 2.6 The wider implications of the implementation of Adoption Support Plans will be presented at Cabinet at a future date, following the issuing of national guidance.

#### **3. ADOPTION ALLOWANCES**

- 3.1 East Ayrshire Council currently has a process in place for the payment of adoption allowances. Each local authority has been given the responsibility for establishing an agreed rate and process of paying adoption allowances.

#### **4. CURRENT SCHEME**

- 4.1 East Ayrshire Council currently pays adoption allowances in respect of 32 children, with an annual budget of £240,000. The payment scheme rates are based upon the age of each child as follows: -

<b>Age of child</b>	<b>2009/10 Weekly rate</b>
0 – 4	£73.98
5 – 10	£91.80
11 – 15	£114.29
16+	£147.97

4.2 Adoption allowances are not paid for all children placed with adoptive parents, but rather on a discretionary basis based on the needs of children. For example, caring for a child with disabilities may create additional costs for adoptive parents. Similarly, the placement of larger sibling groups may also create such financial pressures.

4.3 Child Benefit payments are deducted from these rates. A number of enhanced payments are made depending on individual circumstances for example, in respect of a child with disabilities. In addition to the standard payments, there are additional payments made for Christmas, holidays and birthday allowances.

## **5. PROPOSED SCHEME**

5.1 In addition to the implementation of the new legislation, it is proposed to amend the current payment scheme in line the Fostering Network recommended rates as follows;

<b>Age of child</b>	<b>2009/10 Weekly rate</b>
0 – 4	£125.09
5 – 10	£142.49
11 – 15	£177.38
16+	£215.74

5.2 Child Benefit payments are deducted from these rates. No enhancements or additional payments would be made from this standard rate.

5.3 Start-up grants, travel expenses and reasonable legal costs will continue to be met, up to an annual income household threshold of £50,000.

5.4 In considering the assessment of adopters in terms of payment of allowances, there is considerable diversity across Scotland in terms of financial assessments. Rather than engaging in a complex financial assessment, a number of authorities are considering the notion of having upper (and lower) income levels. It is proposed that the HM Revenue and Customs rates for calculating Tax Credits be used as the base line for household income.

- In excess of £50,000 – adoption allowances will not be paid.
- Between £25,000 and £50,000 – allowances may be paid based on the child's needs.
- Under £25,000 – allowances may be paid due to low income of family and financial support required to adopt.

- 5.5 There is scope in the rates to allow for consideration of sibling groups to be placed and the thresholds amended accordingly.
- 5.6 Any payment agreed will be secured by way of a written contract between the adoptive parent/s and the council.
- 5.7 Any allowance paid will be reviewed on an annual basis (via the adoption and permanency panel).

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The financial implication of introducing this scheme will be an increase of approximately £15,000 in 2010/11. This is based on the existing allowances, transitional payments and estimated additional adoptive placements for 2010/11. This will require to be reviewed on an annual basis due to the ongoing fostering and adoption campaign impacting on the number of adoptive families recruited in the area.
- 6.2 The Scottish Government made funding of £2M available across Scotland for the implementation of the new Act as part of the concordat arrangement. The additional costs outlined in this report will be identified as part of the work being concluded on the social work sustainability review.

## **7. POLICY/LEGAL IMPLICATIONS**

- 7.1 Given the significant shortage of adoptive parents, it is important that the council is able to recruit adoptive carers from a range of backgrounds and that prospective adopters do not feel that they cannot be considered as suitable due to low income. In addition, a number of children placed need one parent to be at home over a significant period of time and as such financial support is crucial.
- 7.2 In undertaking a benchmarking exercise with other local authorities, East Ayrshire Council allowances are relatively low. In discussions within the Association of Directors of Social Work Sub Group on Adoption and Fostering, it would seem that an increasing number of local authorities are moving towards rates which are in line with those recommended by The Fostering Network (TFN) guidance.
- 7.3 The legislation stipulates the need for local authorities to have an adoption allowance scheme in place by 28 December 2009. A policy/procedure paper on the implementation of the new adoption allowances scheme is currently being drafted.

## **8. COMMUNITY PLANNING IMPLICATIONS**

- 8.1 Given the increasing number of children requiring adoptive placements, priority has been given to the recruitment of adoptive parents. It is crucial that the council recognises the need to support this process by providing a solid financial commitment to prospective adopters. Community planning partners have been engaged in this process as part of the fostering and adoption campaign in 2009.

## **9. RISK IMPLICATIONS**

- 9.1 The provision of adoption support allowances will be crucial in both recruiting adoptive families and in supporting placements. There are reputational risks to the council in failing to implement the new legislation and risks associated with not securing enough adoptive families for children, leading to poor experiences for children and greater expenditure for the council.

## **10. RECOMMENDATIONS**

10.1 It is recommended that Cabinet:

- i) approve the proposals set out at section 5;
- ii) that Cabinet instruct that this decision be implemented ahead of any consideration by Governance and Scrutiny Committee on the grounds that a statutory requirement needs to be implemented by 28 December 2009; and
- iii) otherwise note the contents of this report.

**Graham Short**  
**Executive Director of Educational and Social Services**  
**3 December 2009**

### **LIST OF BACKGROUND PAPERS**

The Adoption and Support Services and Allowances (Scotland) Regulations 2009

For further information on this report please contact:  
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