

**Parental Contribution Policy**

# 'SHARING THE COSTS'

**CONTRIBUTION POLICY FOR CHILDREN LOOKED AFTER UNDER S20 OF THE CHILDREN ACT 1989**

****

**www.haringey.gov.uk**

**Contents**

1. Background
2. Legislative Framework
3. Statutory Exemptions to contributions
4. Non- Statutory Exemptions to contributions
5. Scope of the Policy
6. Financial Assessments
7. Guardians
8. Charging Formula
9. Notification of Contributions

10.Compensation Packages

11.Voluntary Contributions

12.Waivers

13.Change in Circumstances

14.Financial Review

15.Non- completion of Financial Assessments

16.Backdated Payments

1. Non- payment of assessed contributions
2. Annual Review and Reassessment
3. Absence from a Service

# Introduction & Background

# This policy aims to:

* Set out the approach to seeking parental contributions for children who become looked after under s20 Children Act 1989
* Encourage the exercise of parental responsibility, by asking parents to contribute towards the cost of providing care and accommodation to their child
* Support the overall objectives of the Children Act 1989 that the welfare of the child is paramount and promotes parental responsibility.

Any reference to residential care within this policy includes fostering placements but does not include any aspect of respite provision**.**

# Legislative framework

Section 20(4) of the Children Act 1989 empowers local authorities to provide accommodation for any child within their area (even though a person with parental responsibility for him/her is able to provide him/her with accommodation) if they consider that to do so would safeguard or promote the child's welfare.

A key feature of this provision is that accommodation cannot be provided if any person with parental responsibility objects, therefore it is 'voluntary'. Where children are accommodated for more than 24 hours pursuant to functions under section 20 then they are deemed to be 'looked after'.

Where accommodation is provided under section 20 of the Children Act 1989, Schedule 2, Part III, of the Act requires local authorities to consider whether they should recover contributions towards the child's maintenance from any person liable to contribute ('a contributor'). The costs of a child's maintenance include the costs of accommodation. There are prescribed exceptions to this requirement, but these are not relevant to charges to which this policy relates.

A local authority may only recover contributions from a contributor if they consider it reasonable to do so. The persons liable to contribute are:

* Where the child is under 16 – the parent of the child
* Where the child is aged 16 - the child themselves

In considering these contributions, the amount should not be more than would be paid for a local authority foster care placement and the local authority should consider that the amount is practicable for the parent/carer to pay, having regard to their means.

# Statutory Exemptions to contributions

* A parent is not liable to contribute during any period when he/she is in receipt of:
	+ Universal Credit
	+ Income Support
	+ Any element of child tax credit other than the family element of Working Tax Credit, or
	+ Income-based Jobseeker's Allowance
	+ Income-related employment and support allowance
	+ State pension or where they are a couple with one person receiving state pension credit.
* A parent is not liable for any contribution where the child or young person is being looked after by the local authority under
	+ an Interim Care Order (s38 Children Act 198) or:
	+ an Emergency Protection Order (s44 Children Act 1989)
* A parent is not liable for any contribution where:
	+ Services are provided as 'After Care' under Section 117 of the Mental Health Act 1983
	+ The child or young person is being looked after under Section 21 of the Children Act 1989 (Police Protection)
	+ The child is accommodated under Section 38 of the Police and Criminal Evidence Act (PACE) 1984;
	+ The child is subject to s92 of the Powers of the Criminal Courts (Sentencing Act 2000 or Section 260 of the Sentencing Code
* A person is not liable to contribute towards maintenance costs in respect of any period during which the child is allowed by the local authority (under section 23 (5)) to live with their parent(s).

# Non-statutory exemptions to contributions

Parental Contributions will not be expected for:

* residential services provided or commissioned by Haringey Council where the child is subject to a Child Protection Plan and the service is part of the Protection Plan.
* Children accommodated in an emergency on a short term basis for less than three nights.
* Children accommodated in residential placements subject to a Statement of Special Educational needs or an Education, Health and Care plan.

# Scope of the policy

* The term 'residential placement' within this policy also includes fostering placements, but does not include any aspect of respite provision.
* Reference to 'legal parent' means birth parents, adoptive parents where a child has been adopted and any person with Parental Responsibility (PR).
* This policy covers all children under the age of 16 years who are in a residential placement commissioned/provided by Haringey Council (apart from the exemptions as outlined in paragraphs 3 and 4 above).
* The policy also includes young people aged 16 and over in residential care, who will be financially assessed to determine whether they are able to contribute.

# Financial Assessment

The financial assessment will be conducted by the Care Finance Team in the Brokerage Services. The assessment will determine the ability to pay and the affordable weekly payment which the parent or child is able to contribute. There will be an automatic reassessment of all contributions and/ or when there is a change of financial circumstance of those liable to contribute.

Social workers must advise carers and children over 16, that a financial assessment will be conducted by an experienced officer from the Care Finance Team. Parents must provide any relevant information to demonstrate the reason why they are exempt from contributing. Otherwise, the Social Worker will contact the Care Finance Team to initiate the assessment process.

# See Flowchart for process.

* Apart from those exceptions listed within paragraphs 3 and 4 above, parents (whether or not currently caring for the child/living elsewhere) will be financially assessed when a child is to be accommodated (see the definition of legal parent at paragraph 5 above).
* Financial assessments will be completed jointly unless the couple request individual assessments, or the parent is a sole carer.
* Where both parents are liable to pay contributions but are living apart each parent will be liable to contribute in proportion to their means as outlined by the financial assessment process.
* Where one parent is in receipt of welfare benefits and would not normally contribute, the other parent will be liable for a contribution up to the maximum amount.
* Where the parents are living apart, or are divorced and remarried, or are cohabiting, the income of the partner(s) will not be taken into account.
* Where the main carer is receiving any allowances, benefit or maintenance via a Court Order, the Child Support Agency, or directly from the other parent, these payments will be considered within the financial assessment.
* Where a parent has been required to pay a maintenance payment by the Child Support Agency or a court then that parent will not be financially assessed further. However, where informal arrangements have been made between parents, there will be a further financial assessment.
* Other than in an emergency, and where agreed with the Haringey Council, the financial assessment will be completed prior to the arrangement of services;
* Young people aged 16 and over will be financially assessed in their own right.
* The maximum daily contribution will be equivalent to the basic fostering allowance.
* Where more than one child from a family is looked after, contributions may be varied by Haringey Council in consultation with the parents of the children.
* Parents have the right to choose not to be financially assessed. Where parents choose not be assessed, the maximum contribution will be levied.

# Guardians

Where both parents have died, a relative or friend may be receiving a guardian’s allowance *(plus child benefit*). Unless the guardian receives any of the means tested benefits listed in paragraph 3 above, recipients will be expected to contribute this allowance towards the cost of maintaining the child but a guardian will not be required to make any further contribution.

# Contributions

# Residential placements

Except for parents receiving benefits as listed in paragraph 3 above, all parents are required to contribute, pro-rata, at least the amount of Child Benefit, for each child in care, for the initial eight weeks that the benefit is paid. If, after eight weeks, the child is still looked after, then the Child Benefit and any other benefits relating to that child will cease but contributions will continue based upon the applicable rate determined by the outcome of the financial assessment.

# Maximum Weekly/Daily Contributions

Contributions will be based upon the basic fostering rates paid by Haringey Council to foster carers. When fostering allowance rates change (usually annually on 1 April) these rates will also change. The rates are:

|  |  |  |
| --- | --- | --- |
| **age of child**  | **daily rate**  | **weekly rate** |
| 0-10 yrs | £      53.86 |  £    377.00 |
| 11 to 16 yrs | £      68.14  | £    477.00 |
| 16 plus | £      71.00 |  £    497.00 |

Parents who have savings/capital more than £23,250 are liable for the full cost of the service. This figure has been taken from the Care Act 2014 which is used for assessing adults.

Contributions will be based upon the number of nights multiplied by the nightly rate.

# Sliding Scale for Contributions

Contributions will be on a 'sliding scale' depending upon the levels of contributions calculated with regard to

# Net Disposable Income (NDI) Contribution

|  |  |
| --- | --- |
| **NDI** | **% NDI contributions****(up to maximum contribution)** |
| Up to £100 | 15% |

|  |  |
| --- | --- |
| Up to £200 | 20% |
| Up to £300 | 25% |
| Up to £400 | 30% |
| £400+ | Maximum contribution |

**Example 1**

Q: What is the weekly contribution for a 10 year old whose parents have a net disposable income of £250?

A: £62.50 per week (i.e. £250 x 25%)

# Example 2

Q: Parent has a net disposable income of £75 – what will they pay? A: £11.25 per week (i.e. £75 x 15%)

Net Disposable Income is calculated in the following way:

Weekly Income – Total Weekly Expenditure = Net Disposable Income For the purposes of this calculation:

Total weekly income takes account of: Salary, welfare benefits, private works pensions and **income that is assumed an individual receives from their capital (tariff income)**

Total weekly expenditure takes account of certain household expenses, any weekly disability related expenses and a protected income.

Protected income is the prescribed amount that a person needs to cover their basic living expenses. The total protected income is specific to each individual and is made up of an individual's personal allowance, personal allowances for a partner and/or dependent children, and premiums - for example, if the individual is disabled.

The table below describes the personal allowances and premiums along with current rates (these rates are subject to annual review and revision).

|  |
| --- |
| PROTECTED INCOME ... |
| Personal allowance & premium is to be awarded. |
|  | Value | Number | Total |
| ***Personal Allowances:*** |  |  |
| Single person <25 / Lone Parent <18 | 57.90 |  | 0.00 |
| Single person 25+ / Lone Parent 18+ | 73.10 |  | 0.00 |
| Dependent Child | 66.90 |  | 0.00 |
| ***Premiums:*** |  |  |
| Pensioner Premium - single | 86.90 |  |  |
| Family Premium | 17.45 |  | 0.00 |
| Disability Premium - single | 33.55 |  | 0.00 |
| Enhanced Disability - single/lone parent | 16.40 |  | 0.00 |
| Work Related Group | 29.05 |  | 0.00 |
| Support Group | 37.65 |  | 0.00 |
| ***Other*** |  |  | 0.00 |
|  |  |  | Minimum level of inc support |  |
|  |  |  | Plus 25% buffer gives Subtotal of |  |
|  |  |  |  |  |

Means tested benefits are not backdated by the Department for Work and Pensions and therefore a financial assessment will be completed in cases where parents cannot demonstrate at the point of placement that they are in receipt of the benefits outlined in paragraph 3.

# Notification of contributions

On completion of the financial assessment and the contribution calculated, Haringey Council will send a contribution notice letter to the parent liable to contribute specifying:

* The weekly sum the parent or child is required to pay
* The arrangements for payment

 The arrangements for payment must include:

* The date on which payments are due (which must not be earlier than the date of the notice)
* The date on which the first payment must be made
* The date on which payments will end

A Contribution Notice can be withdrawn at any time and without prejudice. If appropriate another Contribution Notice can be substituted.

A parent may, by serving a notice in writing on the authority, withdraw their agreement in relation to any period of liability falling after the date of the contribution notice. If a parent or child is not liable for any contributions, this will be confirmed in writing.

Once agreement has been reached and the parent has signed the agreement part of the Contribution Notice letter, contribution payments will commence.

# Compensation Packages

Where compensation packages (i.e. financial compensation in relation to personal injury claims) are available to cover needs provision these monies will be treated as capital unless the compensation package is held by the Court of Protection or otherwise if the compensation monies must be disregarded by the local authority.

# Voluntary contributions

The amounts that parents contribute under this policy will not cover the full costs of looking after their child. This policy does not preclude further voluntary contributions from parents who wish to contribute more fully to the cost.

# Waivers

The Assistant Director of Children's Services and/or the Head of SEND Services have the authority to amend or waive contributions in exceptional circumstances, for example where a parent would be in severe financial difficulties or where enforcement of a contribution would be detrimental to one or any of the children that are in the family home. The child’s social worker will record the decision to waive contributions on the child’s file.

# Change in circumstances

Changes in circumstances can be about the financial situation of those liable to contribute, or the frequency/ type of service identified for the child.

The onus is on the parent (or the child themselves if aged 16 and over) to advise Haringey Council of any changes in their financial circumstances, or their intention to change the frequency/ type of service identified for the child, unless this has been agreed at a review.

# Financial Review

# Review of Contributions

# Any person(s) who feels that their contributions have been incorrectly calculated or feels that all their circumstances have not been considered, can request a review.

A request for a review of contributions should be made in writing to the Assistant Director of Children's Services or the Head of SEND Services detailing:

* Why the person(s) feels the assessed contribution is wrong or unaffordable;
* Any additional information not taken into account when the contribution was calculated.

The person(s) will be contacted for further discussion if required and/or notified of the outcome within 14 working days of receipt of the request.

This discussion must take within 5 days of receipt of query. Discussion must take place between social worker and Finance Officer from Care Services and a Senior Manager.

# Non-completion of financial assessment

If a person(s) is not exempt from contributions and they choose not to complete a financial assessment form, they will automatically be contributing the full daily rate for each day's service provided.

Where appointments have been made to discuss the financial assessment and cancelled, a maximum of three appointments will be offered in total.

Where three appointments have been cancelled no further appointments will be made and there will automatically be a contribution of the full daily rate for each day's service provided.

# Backdated payments

Where a financial assessment takes place after the child becomes looked after, contributions will be backdated to the date upon which the child became looked after.

# Non-payment of assessed contributions

Where contributions are not paid, Haringey Council may apply to the Magistrates Court for a Contribution Order.

# Annual review and reassessment of contributions

Contributions will be re-assessed if there is a change in the financial circumstances of those liable to contribute – it is the responsibility of the parent to inform the local authority of a change in their financial circumstances.

# Absence from a service

If a child is not receiving a service for a period (this does not include situations where a child has 'run away' from a service) then there will be no contribution so long as the service provider has been informed in advance.