

South Central Independent Fostering Agency (IFA) Contract: “Staying Put” Protocol

For use with placements made by the following Local Authorities: Bracknell Forest Council, Hampshire County Council, Oxfordshire County Council, Portsmouth City Council, Reading Borough Council, Royal Borough Windsor & Maidenhead, Slough Borough Council, Southampton City Council, Surrey Council, West Berkshire Council, and Wokingham Borough Council.

This protocol also includes Isle of Wight IFA placements under separate contractual arrangements.

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“Staying Put” Protocol

The arrangements for care leavers aged 18 and above to stay on with their former foster carers.

Section One: Origins & Aims of Staying Put Arrangement

Introduction:

The Independent Fostering Agencies and Authorities of the South Central Framework have agreed this protocol which outlines staying put arrangements for young people in IFA placements. The protocol has been jointly developed by a representative group of Local Authorities and Independent Fostering Agencies.

Arrangements for staying put with IFA carers will, in all cases, be discussed and agreed between the authority and The IFA. Direct approaches to and arrangements with IFA carers should not be made by Local Authorities.

1. Origin & Aims of Staying Put

- 1.1 The primary aim of Staying Put is to promote a gradual transition for young people from care to adulthood and independent living. It focuses on ways to extend this transition within a family setting for young people who are or who have been looked after by a local authority. Its intention is to ensure these young people can stay with their former foster carers until they are prepared for adulthood, can experience a transition similar to their peers, can avoid social exclusion and that the gap in the quality of life between those in the care of a local authority and those raised in supportive families is significantly reduced.
- 1.2 The protocol sets out the conditions required to extend a former IFA foster placement beyond a young person’s 18th birthday where agreement is reached with the young person, carer, local authority and IFA. It includes the entitlement and establishment associated with extending such placements, the financial implications for young people and carers, the social care requirements and Income Tax, National Insurance and Welfare Benefits issues.

2. Legislative Background

- 2.1 Staying Put meets duties set out most recently in the Children and Families Act 2014 and prior to this in the Children Act 1989 and updated in the Children (Leaving Care) Act 2000, the aims of which are to:
 - delay young people’s discharge from care until they are prepared, ready and able to leave
 - improve the assessment, preparation and planning for leaving care
 - provide better personal support for young people leaving care
 - provide the financial arrangements for young people leaving care

- 2.2 The Care Matters White Paper and Children and Young Persons Act 2008 emphasised a more graduated approach to transitions to adulthood planning and required each local authority to begin to promote the extension of foster care placements beyond a young person's 18th birthday. The Planning Transitions to Adulthood for Care Leavers (Regulations & Guidance) 2010, the Fostering Service (England) Regulations 2011 (Children Act 1989) and the National Minimum Standards for Fostering Services 2011 all require local authorities to have Staying Put procedures in place. These procedures need to set out the practical, financial, tax and benefit issues for foster carers and young people when foster care is extended beyond the age of 18 years
- 2.3 Joint guidance issued by Department for Education (DfE), Department of Work & Pensions (DWP) and Her Majesty's Revenues & Customs (HMRC) in May 2013 outlines arrangements where young people aged 18 and above who were previously looked after, remain living with their former foster carers and the frameworks that local authorities must be aware and take account of when developing a Staying Put policy. This protocol has been developed in line with this Joint Guidance. .
- 2.4 The Children's Partnership Staying Put Good Practice Guidance provides guiding principles and recommendations which have also been taken into account in the development of this protocol.

3. Definitions of Staying Put

- 3.1 The definitions from DfE, DWP and HMRC acknowledge that when Staying Put is in place it is on the premise that the young person in such an arrangement was previously Looked After and remains with their former foster carers after the age of 18 years.

See 'Appendix 1' 'Definitions of Staying Put'.

4. Changing Status from Foster Care Placement to Staying Put Arrangement

- 4.1 From the age of 18 young people are legally adults, no longer in legal "care" and so fostering regulations can no longer apply. Where agreed, following their 18th birthday, the legal basis on which they occupy the foster home changes and having signed a licence agreement, they become an "excluded licensee", effectively a lodger in the Staying Put carer's home. Whilst this is a legal term, it should not denote that the young person will be treated differently than they were as a fostered child.
- 4.2 The associated change from foster child to adult member of the household and for the carer from foster care to a Staying Put supported lodgings arrangement (whereby technically the young person's landlord) needs to be carefully and sensitively planned to ensure that both the young person and carer understand the nature of the arrangement and that the positive aspects of being in foster care are not diminished by new legal and financial arrangements and terminology

- 4.3 Although no longer termed foster carer but rather Staying Put carer, it is a requirement of this Staying Put protocol that the carers remain registered as a foster carer to ensure the relevant IFA can continue to provide an on-going support role. The Carer will remain registered with the fostering agency until the staying put arrangement ends and the carer decides either to deregister or continue fostering.
- 4.4 The term 'arrangement' should be used rather than 'placement' as this denotes a situation where the local authority arranged and placed the child with a foster carer. Once the young person reaches eighteen and legal adulthood, the local authority is no longer making a placement, but facilitating an arrangement.

5. Entitlement to Stay Put

- 5.1 This protocol applies to all young people looked after by the authorities of the South Central IFA Contract and the Isle of Wight Council, who are approaching 18 years placed with Independent Fostering Agency foster carers.¹
- 5.2 The protocol is designed to ensure young people do not experience a sudden disruption to their living arrangements, that educational achievement and continuity is promoted and that vulnerable young people can make a gradual transition from care to adulthood and successful independent living.
- 5.3 Staying put is not intended to replace the process whereby disabled young people who meet the relevant criteria transfer to adult care services such as 'shared lives' placements. Where this is the case adult social care services should be involved in the pathway planning in accordance with local protocols and the Children Act 1989 statutory guidance. A shared lives placement with the young person's previous foster carer could fulfil the local authority's duty to provide support under staying put.
- 5.4 It is an expectation of the Staying Put arrangement that the young person agrees to continue to, or seek to, be engaged in a programme of full-time further education, full-time training or employment or other agreed activity which supports the development of their independence.
- 5.5 The young person's Pathway Plan should include SMART objectives for the young person to achieve during their Staying Put arrangement. Where objectives are not being met, and concerns are raised, a review meeting will be called for all parties to revisit the original agreement.

Section 2 Establishing a Staying Put Arrangement

¹ For UASC, entitlement for Staying Put will depend on their immigration status and will need to be reviewed following their application to remain post 18.

6.1 The option of Staying Put should be explored as early as 3 months after the Young Person's 16th birthday as part of Pathway Planning. Early discussion with the young person's foster carer and foster care agency is required as their agreement is essential before any more detailed planning can take place.

Final agreement needs to be in place by the time the young person reaches 17 ½ years and the framework below shows how this can be explored:

- Will the young person fit the Staying Put criteria by the time they reach 18?
- Is the young person in agreement with the Staying Put proposal?
- Is the foster carer and foster care agency in agreement with the Staying Put proposal?
- What are the views of other children in that foster placement and of their Social Workers to the Staying Put proposal?
- What would the impact be on any future fostering placements (should the carers continue to foster)?
- Do the young person and their foster carer understand the criteria for and procedures associated with converting a foster placement into a Staying Put arrangement?
- Does the young person understand their financial and benefits responsibilities associated with being in a Staying Put arrangement?
- Does the foster carer understand the changes in their funding arrangements associated with Staying Put?
- Does the foster carer understand the impact of a Staying Put arrangement on their income tax and welfare benefits?
- What is the contingency plan should Staying Put not be a viable option?

The Pathway Planning Meeting will make a recommendation about whether staying put should be explored or if alternative arrangements need to be made

6.2 It is important to note that young people remaining in an approved fostering household at 18 will become adult members of that household and will require a valid DBS disclosure where a foster child(ren) are in the same placement or planned to be in that placement. This process will need to commence when the young person reaches their 18th birthday as it cannot start while they are still legally a minor.

6.3 All the above will be discussed and agreed at the young person's Pathway Plan Review prior to their 18th birthday chaired by the IRO. The young person's Social Worker or Personal Adviser will ensure that all claims for Income Support (where the young person is engaged in full-time education), Job Seeker's Allowance and Housing Benefit are ready to be actioned when the young person reached 18.

6.4 The staying put arrangement should be included in the pathway plan and will include:

- Preparation for independence
- Level of support to be provided by the carer/Fostering agency
- Staying put fee
- Young person's general financial position (including credit cards, loans, mobile phone contracts registered at the address)
- Young person's contributions
- Income and benefit claims
- Education, training and employment activities
- Health arrangements
- Friends and partners staying over and time spent staying away
- Issues relating to younger foster children in placement including safeguarding
- Issues relating to any younger children in the home e.g. expectations, babysitting etc.
- Move-on plans
- Licence Agreement

Section 3 Roles & Responsibilities

The roles and responsibilities of all parties will depend on the level of need of the individual young person. The following is meant as a guide:

7. Independent Fostering Agency Role & Responsibilities

7.1 To maintain the carers registration as a foster carer

7.2 Supervising Social Worker to:

- Provide advice and support to staying put carer (minimum contact with each staying put arrangement between 8-12 weeks depending on need)
- Ensure that the carer receives payment
- Monitor the carer's adherence to the Living Together Agreement
- Have regard to the young person's individual needs, wishes and feelings when considering the placement of other children or young people in the household.
- Take appropriate action to ensure that all relevant risks are carefully and appropriately risk managed when considering the placement of other children in the same household as the staying put young person and if /when new risk arise during the course of each placements.

8. Local Authority Role & Responsibilities

8.1 To ensure that young people have a Local Authority Personal Advisor and an up to date Pathway Plan with a copy being given to the IFA and carer. The Pathway Plan should clearly set out arrangements for a Staying Put Agreement and what the transitional arrangements are for moving towards greater level of independence and the timescales for doing this.

8.2 To be the lead in the planning of Staying Put Agreements, agreeing additional support where required and ensuring that an agreement/contract outlining all costs, additional support, and review period is put in place at the beginning of the arrangement.

8.3 Local Authority Personal Advisor to:

- Provide advice and support to the young person, in accordance with regulation 8 of the Care Leavers (England) Regulations 2010.
- Keep in touch with the staying put carer and provide advice and support as required.
- Ensure that the pathway plan is regularly reviewed.
- Liaise with the local authority in implementation of the pathway plan.
- Co-ordinate provision of services to support the young person.
- Keep informed about the young person's progress and wellbeing.
- Co-ordinate an annual meeting to discuss how the Staying Put arrangement is working.

8.4 Frequency of visits by the PA will depend upon the needs of the young person. Visits will take place a minimum of every 2 months but will be agreed based on individual need as part of the staying put planning process.

8.5 To provide the young person with access to the local authority out of hours service, as necessary, in accordance with local policy

8.6 As the young person is no longer looked after they will be counted as another adult in the household. If the carer continues to take foster placements the LA is responsible for conducting a DBS check on them as the process will need to start before the young person turns 18.

9. Staying Put Carer Role & Responsibilities

Introduction:

It is recognised that when a placement changes from a foster placement to a Staying Put arrangement the level of support provided by carers should reduce. This can be a difficult transition for many carers and young people. In general terms, the key challenge for carers will be to move away from directly providing care for the young person to a point where their primary role is to support the young person to meet their own needs.

Role and Responsibilities

9.1 Staying Put Carer to:

- Remain a registered carer
- Comply with Living Together Agreement
- Provide a supported living environment for the young person
- Support and promote independence skills
- Support the young person to achieve the goals set out in their pathway plan and to otherwise achieve their life ambitions and individual potential.
- Bring to the attention of the agency and local authority concerns about the young person's welfare and any information which may give rise to an increased risk of the arrangement breaking down from an early stage so that relevant agencies can take such steps as may be possible to mitigate against this occurrence.
- Ensure that their insurance arrangements take account of their Staying Put activities and that their contents insurance is sufficient to cover any losses that the Young Person may incur arising from fire, flood, or theft by a non-household member

Section 4 Finance

10 Finance - Young Person

10.1 Depending on their circumstances, young people in a Staying Put arrangement can claim one or more of these benefits from their 18th birthday.

- a) Income Support under the 'Relevant Education' rules if they are 'estranged' from their family and undertaking a full-time further education or training course of a non-advanced level.
- b) Education Bursary for all full-time further education courses and most training schemes paid by the college or training provider.
- c) Employment & Support Allowance where deemed 'sick or disabled' and those young people with a disability may also be in receipt of Personal Independence Payment
- d) Jobseekers Allowance when registered unemployed and available for and actively seeking full-time employment

Claiming a), b), c) or d) will not normally have any impact on the Staying Put carers' own benefits should they be claimants themselves.

- e) As an "excluded occupier on a license", Housing Benefit claimed by the young person will be used to offset payments made by Children's Services.
- f) The rent agreed by Local Rent Officer for these Staying Put arrangements within the local authority boundary is listed in Appendix 2

10.2 From their income the young person will be responsible for buying their own clothes, toiletries, mobile phone contracts/top ups and other items previously

covered by the fostering allowance paid to the carer. This encourages the young person to develop their budgeting skills.

- 10.3. In support of independence, where appropriate and agreed, the young person may request to be responsible for buying their own food. (If the carer is providing meals a £30 contribution will be paid)
- 10.4 For those in employment there will be an additional charge of 20% of their income over £57.35 per week. This will be capped at £70 in line with the single room allowance.
- 10.5 Contributions will be monitored at Leaving Care Contacts and Pathway plan meetings.

11. Finance – Staying Put Agency

- 11.1 The Staying Put allowance paid to the agency is exclusively for the practical and emotional package of support that is being provided by that agency and carer. Unlike the fostering allowance previously, it does not include any element to be given to or spent on the young person such as personal, clothing, travel and holiday allowances and costs associated with birthdays and Christmas or other religious festivals. These are provided from the young person's income or by Children's Services. The provision of food and meals should be discussed as part of the staying put arrangements and included in the agreement. How and who is responsible for providing meals will depend upon the needs of the young person. The arrangement for the provision of meals must ensure the health and well being of the individual
- 11.2 The Staying Put Fee will be agreed as part of the staying put arrangement made through the pathway planning process. The Authority and Fostering Agency will sign an agreement which details the staying put fees and the levels of support and service to be provided by the Agency.

Section 5 Additional Support

12. Identifying and agreeing support for vulnerable young people

- 12.1 LA's can commission extra support for a young person over and above the basic Staying Put Agreement, in agreement with the IFA and carer, in consideration of the following:
 - What is the level of the young person's vulnerability, do they display significantly delayed maturity and do they find preparing for that transition to independent living significantly difficult and challenging?
 - What work has been undertaken to assist them develop their practical, emotional, resilience and relationship skills and how will these be continued and enhanced in a Staying Put arrangement?

- What support will be provided and strategies used to increase the young person's ability to develop independent living skills?
- What is the involvement with or detail of the referral to be made to adult services when the young person has a learning disability or mental health, alcohol or substance misuse issue?

12.2 Staying Put is focussed on extending former fostering placements where the young person is still preparing for independence. Accommodation and support for young people with a disability are dealt with through formal Adult Placement/Shared Lives arrangements.

Section 6 Monitoring & Reviewing a Staying Put Arrangement

13.1 Staying Put Arrangements should be reviewed at the Pathway Plan Review at a minimum of every 6 months. This should include a review of any problems or difficulties which have emerged and what is working well. A review can be arranged earlier by agreement between the young person, carer and professionals involved. The young person and carer can also access advice at any time from their fostering agency, Social Worker or Personal Adviser.

Section 7 Ending a Staying Put Arrangement

14.1 The Staying Put arrangement can be ended before the young person's 21st birthday by the young person or carer giving relevant notice.

14.2 Both parties should give as much notice as possible and in most circumstances be a minimum of 28 days.

14.3 The licence agreement allows for the ending of the arrangement with 7 days' notice for a breach of the agreement, but in exceptional circumstances it can be terminated with immediate effect.

14.4 The Staying Put arrangements will end when the young person becomes 21. If the young person is at a critical time in their education (eg. final exams) at this time they will be able to Stay Put until after this period has ended.

14.5 The end of the Staying Put arrangement must be formalised in writing to ensure all parties recognise the end of the Agreement.

14.6 Advance planning will be necessary to ensure young person can move on to suitable accommodation from their Staying Put arrangement.

15. Arrangements for staying put for young people not resident for 52 Weeks.

- 15.1 The number of young people who leave their former Foster Care Placement / Staying Put arrangement to attend university, and then regularly want to come back to their former carer's home is very low. If a young person wishes to retain their room to be able to come home this can be reviewed and negotiated on an individual basis depending on the frequency and duration of the anticipated (and actual) visits.
- 15.2 For young people applying to enter the Armed Forces a retainer fee may be paid for the training period (e.g. first 6 weeks of basic training) until their application status is known. (This will ensure that if they are unsuccessful they still have an accommodation arrangement in place)

16. Challenging decisions

16.1 If a looked after child feels that the local authority has failed to provide appropriate support towards facilitating and maintaining a staying put arrangement, they should be encouraged to speak to their independent reviewing officer to request a review of their pathway plan.

16.2 They should also be told of their right to make a complaint and to contact an independent advocate.

16.3 A young person living in a staying put arrangement is also entitled to make a representation or complaint to the local authority about the provision of support, and for this to be investigated under the children's services complaints procedure.

16.4 Foster carers can also make a complaint to the local authority, and if this relates to fostering it must be investigated under the children's services complaints procedure.

16.4 A complaint by a staying put carer, or by a foster carer but relating to their role as a staying put carer, would be considered under the authority's general complaints procedure if it falls outside the scope of the children's services procedure.

Appendix 1

Staying Put Fees

Fees shall be calculated by using the following formula:

Staying Put Price paid by LA to IFA = Tendered Price x 50 %

Payment to Carer = to be determined by each agency as appropriate

The 50% is calculated using the IFA Tendered Price minus the following elements of the service specification as they are not required for a staying put arrangement:

- Food (Young Person to pay £30 per week if host/carer to provide meals)
- Clothing
- Equipment & resources
- Glasses/ contacts/ hearing aids etc.
- Holidays
- Contact
- Respite
- Pocket Money
- Schooling
- Telephone
- Toiletries/Cosmetics
- Transport

Housing Benefit will be deducted from the amount payable by the Local Authority (This figure will vary from each Local Authority area see Appendix 2) and will be paid directly to the carer.

The Agency will receive the 50% of the tendered price, minus Housing Benefit.

If the carer will be providing meals for the Young Person £30 will be paid a week for food.

If a young person is working they will contribute a further 20% of their income over £57.35 per week. This will be capped at £70 in line with the single room allowance.

Providers will be asked to provide the cost of additional support based on hourly rate.

Appendix 2

Local Rent Officer Amounts

Local Authority	£ per week
Bracknell Forest Council	
Hampshire County Council	
Oxfordshire County Council	
Portsmouth City Council	
Reading Borough Council	
Royal Borough Windsor & Maidenhead	
Slough Borough Council	
Southampton City Council	
Surrey County Council	
West Berkshire Council	
Wokingham Borough Council	

Appendix 3

STAYING PUT
LIVING TOGETHER AGREEMENT
BETWEEN

_____ (NAME OF YP)

AND

_____ (NAME OF CARERS)

AND

_____ **CHILDREN'S SERVICES**
_____ (NAME OF LOCAL AUTHORITY)

This agreement is in relation to the specific 'staying put' arrangement between the parties listed above. At the back of this document is a rent agreement form that needs to be completed and submitted to the Housing Benefit Department. At the point at which a young person with a care leaver status reaches 18 years old they are able to apply for Benefits in their own right. Legally the foster placement ceases but, under the Children & Families Act 2014, a young person can continue to be supported to remain living with their former carer beyond the age of 18 under a supported lodgings arrangement. The young person should have been living with the carer immediately prior to their 18th birthday.

Date arrangement started

Address.....

Rent – This is to be paid directly to from Housing Benefit at an amount of £..... per week (LHA rate for that district) paid on abasis.

Support costs and utilities – These will be paid directly toat the sum of £..... per week by..... Fostering Agency .

Is the young person providing own meals? Yes / No
(If former carer has agreed to provide the young person with meals then they must pay their former carer an agreed amount per week, £30 for 3 meals a day)
Therefore, the total weekly amount received by the carer will be £ per week.

Specific issues agreement – Please detail any particular house rules agreed and confidentially.

Termination of arrangement – Where all parties agree statutory guidance allows for staying put arrangements to continue until a young person’s 21st birthday, or beyond if continuing in education or training. However, in situations where either party wishes to give notice the expectation is that 28 days notice is given. In exceptional circumstances this may be reduced. The Local Authority must be informed at the point at which notice is given.

Signed:Young Person
.....Staying Put carer
..... Personal Advisor
..... Fostering Agency Worker

Appendix 4

Definitions of Staying Put

1. Department for Education

Staying Put is used to define arrangements where:

- a young person Looked After immediately prior to their 18th birthday as an “Eligible Child” continues to reside with their former foster carers
- the carers were acting as foster carers to the child immediately prior to their 18th birthday ie the carers were approved as foster carers in accordance with Fostering Service (England) Regulations 2011 and the child had been placed with either local authority in-house or Independent Fostering Agency carers
- the Staying Put arrangement is set out in the young person’s Pathway Plan
- all or part of the allowance paid to the Staying Put carers is paid by the Local Authority Children’s Services under section 23C of the Children Act 1989
- the Staying Put arrangement extends until
 - the young person leaves the “Staying Put” arrangement or
 - the young person reaches their 21st birthday or
 - the young person completes their programme of education or training

DfE Staying Put arrangements can therefore cover all young people who were previously Eligible Children living in foster care and who were Looked After immediately prior to their 18th birthday as long as the arrangement meets the above criteria and regardless of whether the young person is undertaking full or part-time education, training or employment or none of these activities.

2. Department for Work & Pensions

The DWP legislation covers Staying Put arrangements where:

- a young person continues to reside with their former foster carer after their 18th birthday on a non-commercial and familial basis and
- the child was looked after immediately prior to their 18th birthday and
- the payments made by the local authority to the carer under section 23C of the Children Act 1989 are disregarded in calculating the carers entitlement to means tested benefits.

This disregard is lost on the whole payment (section 23C and non-section 23C) if the young person leaves the Staying Put arrangement and then returns to that same carer or moves to another carer after their 18th birthday.

Therefore the DWP Staying Put framework applies to a young person remaining with their former foster carer on a familial basis, where no commercial arrangement applies and until they first leave the arrangement, or until the age of twenty-one, or until the end of an agreed programme of education or training being undertaken on the young person's twenty-first birthday if they continuously lived in the arrangement.

3. HM Revenues & Customs

HMRC has defined Staying Put as arrangements where:

- a young person was looked after immediately prior to their 18th birthday
- the young person has a Pathway Plan
- a proportion of the allowance paid to the Staying Put carer is paid by the Local Authority
- Staying Put arrangements can extend until:
 - the young person reaches their 21st birthday or
 - the young person completes the agreed programme of education or training being undertaken on their 21st birthday

This broader HMRC definition allows for a young person to return to a Staying Put arrangement for example during a university vacation where all requirements above are met.

This definition can also mean that from the HMRC prospective any person can be defined as a Staying Put carer where the four criteria above are met. The carer does not need to be a registered foster carer or former foster carer. In circumstances where Children's Services define a person as a Staying Put carer by paying them an allowance, the local authority needs to ensure the safeguarding arrangements are appropriate to meet the young person's needs and that monitoring and support for the Staying Put carer is satisfactory.

4. Definitions Overview

With the exception of the HMRC criteria regarding young people being able to return to a different Staying Put carer between the age of 18 and 21 or until the completion of an education or training course, all of the other criteria acknowledge that Staying Put arrangements are continuing under the premise that the young person was previously Looked After and is remaining with their former foster carers.

Appendix 5

HM Revenue and Customs (HMRC), Income Tax and National Insurance

The rules governing Income Tax and National Insurance issues for former foster carers changed on 6th April 2010 from “Adult Placement Care” arrangements to “Qualifying Care Relief Shared Lives Carers” arrangements. These rules extend the rules that apply to foster carers to Staying Put carers.

In order to qualify young people are required to share the Staying Put carer’s home and daily family life during the arrangement i.e. live as a member of the carer’s family.

Staying Put carers will be covered by the Qualifying Care Relief system where they provide an arrangement for a young person who was looked after immediately prior to their 18th birthday. This can continue until the young person reaches 21 or until they complete a programme of education or training. A young person below the age of 21 does not have to be engaged in education or training for the Qualifying Care Relief system to apply to their carers.

The Qualifying Care Relief system provides for Staying Put carers to earn up to a given amount without paying Income Tax or Class 4 National Insurance Contributions.

The Income Tax free allowance consists of 2 elements:

- a fixed amount of £10,000 per Staying Put household per year
- an additional amount of £250 per week per young person aged 18-21

The tax free allowance is only available to households with 3 or fewer placements, however, foster care placements are excluded for this purpose and sibling groups are counted as 1 placement. Where there is more than one paid “Staying Put” carer in the household, the allowance is shared equally by both carers.

The tax free allowance only applies to the Staying Put carer’s income from caring. If they have income from other sources, they will pay tax on that income in the normal manner.

If the carer’s income exceeds the allowance HMRC will treat the taxable profit from foster care or “Staying Put” care as earnings from self-employment for National Insurance Contributions purposes.

Staying Put carers may be able to claim Working Tax Credits as this is counted as “work” for this purpose. The carer’s taxable income is included in the total household income that is used to assess the amount of tax credits they are entitled to. So where the carer is paid less than their tax free allowance, their income from caring for tax credits purposes is also nil.

HMRC is aware that a number of Staying Put carers may not have registered for Class 2 National Insurance Contributions because they make little or no taxable profit. Staying Put is deemed as self-employment and as such carers should register

as self-employed. All self-employed people aged 16 and over who are below State Pension age are liable and must register to pay these contributions. However, self-employed carers may be able to apply for Carers Credits which have replaced Home Responsibilities Protection, and those with low taxable profits may be able to apply for a Small Earnings Exemption.

To claim a Carers Credit, Staying Put carers must complete form CF411A available from HMRC www.hmrc.gov.uk

If carers have not previously registered as self employed they can obtain further information by calling the Newly Self-employed Helpline on **0845 915 4515**