



**Residence Order, Child
Arrangement Order & Special
Guardianship Order Allowance
Financial Assessment
Guidance Notes**

Guidance for the Financial Assessment Form

It is important that the following information is understood when:

- making an application for a residence order, child arrangement order or special guardianship order allowance for the first time
- the allowance payable is reviewed each year

1.1 How the allowance is determined

The final decision as to whether a residence order, child arrangement order or special guardianship order allowance will be paid will be made by the Service Manager for the children in care or the children in need team.

In some cases an allowance is agreed for a fixed period of time only. In these cases the allowance will cease at the end of the agreed period.

All allowances will be reviewed annually, this is a legal requirement.

1.2 Changes to your circumstances and/or the child's needs

The applicant must inform the Provider & Foster Payments Team immediately if:

- (a) The child ceases to live with the applicant;
- (b) The applicant changes their address;
- (c) The child dies;
- (d) There is a change in the applicants financial circumstances

Where a change in the applicants' financial circumstances occurs at any time during the year, the applicant must notify the Provider & Foster Payments Team in writing, with the necessary proofs. The applicant should not wait for the annual review. An early review will then be carried out.

The amount payable will change over time according to your financial situation.

If changes in an applicant's financial circumstances mean that they no longer meet the criteria to receive an allowance, the allowance will be suspended. The applicant will continue to receive an annual review pack to allow them to inform us of any changes in their financial circumstances.

1.3 The Financial Assessment

1.3.1 Who carries out the financial assessment?

The financial assessment is carried out by the Provider & Foster Payments Team. A financial assessment form will be sent to the applicant prior to the annual review for their completion. Once the review has taken place, the applicant will be informed in writing of the outcome of the review.

1.3.2 How the allowance is calculated

The assessment will take account of the applicant's total income and compare it to the applicant's total commitments and expenses including any costs relating to the child.

Payment of allowances will normally commence at the date that the order is made.

2 Completing the financial assessment form

2.1 Income

2.1.1 Earnings

All income *must* be declared:

- Proof of income is required in the form of the most recent payslips. Provide the payslips for the last 2 months if paid monthly or the last 8 weeks if paid weekly.
- Net wages or salaries from an employer (for both partners in the case of couples)
- Details of overtime and other earnings should be included.
- When providing you monthly wage or weekly wage an average should be taken, over 2 months for monthly-paid, or 8 weeks for weekly-paid.

2.1.2 Self-Employment

If you are self-employed you must provide proof of drawings. This can be provided by including a set of annual accounts with your application.

A provisional figure can be included in the application subject to actual income details/ appropriate year end accounts being provided.

Pensions, Allowances & Benefits

You **must** declare:

Please indicate the rate at which your benefits will be paid from 10th April 2017.

- All state and private pensions
- All benefits and allowances including Personal Independence Payment, Housing Benefit, Sickness Benefit and any adoption or fostering allowances received for any child(ren) in your family.
- Child benefit claimed from the date that the residence order, child arrangement order or special guardianship order was made should be declared.
- Child Tax Credit and Working Tax Credit are classed as income under the assessment and will be included in our calculations.
- Money received under a Maintenance or Separation Order, or from the Child Support Agency is also classed as income under the assessment and will be included in our calculations.

Please note:

- If you are eligible to receive a benefit or allowance and choose not to do so, it may still be taken into account.
- Regulations state that residence order, child arrangement order or special guardianship order allowances cannot duplicate or be a substitute for any payment to which you would be entitled under the tax and benefit system.
- If you have made a claim to a benefit but have not yet received notification of your eligibility or the amount of the award, please let us know when this amount is known.

2.2 Commitments & Outgoings

Payments and monies paid out by you must be declared and include the following:

- Council Tax – Most councils charge monthly for 10 months only, so if a monthly figure is given, it will be multiplied by 10 to give an annual figure.
- Personal Pension Contributions – You should detail any contributions that are made into personal pension plans that are additional to any deductions from your wages.
- A total of household insurances should be given to include both buildings (where not included in mortgage repayments) and contents.
- Loan/Hire Purchase Payments - You should detail any commitments and outgoings paid under a loan or hire purchase agreement. The purpose of the loan or hire purchase item must be stated and proof of payments provided.
- Any commitments under a Court Order include such things as payments made under a separation or Maintenance Order.

- Where any other commitments and outgoings include a loan or hire purchase payment, the purpose of the loan or hire purchase item must be stated and proof of payments provided.

For further information on residence order, child arrangement order or special guardianship order allowances, please contact the Provider & Foster Payments Team on 01782 236742.