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| 16 July 2015 | | ITEM: 9 |
| Standards and Audit Committee | | |
| SGO & Adoption Allowances – Financial Control Measures | | |
| Wards and communities affected: All | Key Decision: | |
| Report of: Andrew Carter, Head of CATO | | |
| Accountable Head of Service: Andrew Carter, Head of CATO | | |
| Accountable Director: Carmel Littleton, Director of Children’s Services | | |
| This report is Public | | |

Executive Summary

An internal audit report has identified overpayments and the risk of overpayments within the system for providing Adoption and Special Guardianship Order Allowance Payments. This report sets out measures in place to ensure that further overpayments do not occur.

1. Recommendation(s)

- 1.1** That committee members endorse the ceasing of any Special Guardianship or Adoption Allowance after notice has been given of failure to return the annual financial review documents to the department or the document is incomplete.
- 1.2** That committee members endorse continued action by the department where appropriate (extreme hardship will not occur) to secure repayment of any overpayments that have been made.
- 1.3** That the amended Special Guardianship Policy is applied and letters clearly setting out the responsibilities of any special guardians and their financial obligations are maintain in-line with statutory guidance and case law.

2. Introduction and Background

- 2.1** A Special Guardianship Order confers parental responsibility for a child and overriding parental responsibility above that of their parent or other persons with parental responsibility.
- 2.2** A Special Guardianship order remains in force up until the child or young person reaches the age of 18.
- 2.3** The number of Special Guardianship Orders has risen locally and nationally over recent years and this is expected to be a continued trend.

- 2.4 In line with statutory guidance and case law, the local authority has a responsibility to assess potential special guardians for support, including the provision of a financial allowance.
- 2.5 Equally where the Council are placing a child for adoption, the Council has a duty to provide adoption support including the provision of an adoption allowance (weekly financial payment), where the child's needs are seen as requiring this.
- 2.6 The provision of such allowances where appropriate is subject to means testing and annual financial review.
- 2.7 Annual financial reviews should identify any significant changes in the personal circumstances of the child/ren, Special Guardian or Adopter that might impact on the continuation of the financial support (allowance). This will include changes in disposable income and whether or not the child continues to reside with the Special Guardian or Adopter.
- 2.8 Current statutory requirements and best practice is that for each child there will be an Adoption Support Plan/s or Special Guardianship Support Plan/s, agreed between the department and the Special Guardian or Adopter prior to placement or the making of any final order by the court.
- 2.9 The support plan will set out the amount of any financial support that has been agreed as a one off payment or as an ongoing allowance and over what period of time.
- 2.10 An internal audit report has identified that over payments have been made in relation to the allowances paid to Special Guardians and Adopters. Whereas the report refers to adoption the actual issue is substantially in relation to Special Guardians.
- 2.11 Social Work practice in relation to the provision of support to Adopters and Special Guardians has been in line with the regulations. The department continue to take steps to continually improve practice in this area. Thurrock has a consistently low rate of adoption breakdowns and is developing partnerships to improve post adoption support.
- 2.12 However, the administration of the financial review system between SERCO and the Council has not been robust enough and has been ineffective in preventing overpayments (or risk of overpayment).
- 2.13 SERCO processes have not been sufficiently clear in relation to what steps to take when the annual financial review forms have not been returned (or are incomplete).
- 2.14 Allowances payments have been allowed to continue without a systematic cut off period for non-response (or incomplete responses).
- 2.15 This has meant that where a child has ceased to reside with their Special Guardian the Council have continued to make payments.

- 2.16 There is a requirement on Adopters and Special Guardians to inform the Council of if a child no longer resides with them and the majority of Adopters and Special Guardians fully comply with this.
- 2.17 Without unwarranted intrusion into family life, the system needs to be more robust and allow for those circumstances where notifications have not been made.
- 2.18 Subject to individual needs allowances are agreed for specific periods of time and the administrative interface between the Council and SERCO has not ensured that agreed cut off points have been adhered to. Sufficient ownership has not been taken for the administration of the system.
- 2.19 The support plans agreed and submitted to court do clearly set out the payment periods in line with statutory guidance and individual circumstances. Adopters and Special Guardians are able to request a review of these arrangements and the system works well to provide necessary support to vulnerable children.

3. Issues, Options and Analysis of Options

- 3.1 In the main annual financial review forms are sent out and SERCO have monitored the return or not of these. What has not happened in a systematic way is effective action when the review forms have not been returned or are incomplete. Payments have continued to be made and clarification has not been obtained by SERCO as to whether or not the payment should stop.
- 3.2 The risk of further overpayment in relation to this has been addressed and the requirement agreed with SERCO that for any situation in which the annual financial review has not been returned or is incomplete, the recipient will be given 28 days to provide the required information after which the payment will be stopped.
- 3.3 As an existing standard part of the annual review, the Adopter or Special Guardian is required to confirm that the child/children remain in their permanent care.
- 3.4 At the point of assessing and prior to agreeing a Special Guardianship Support plan the prospective Special Guardian now receives clear written guidance as to the general financial support, their obligations and the duties of the Council
- 3.5 A spreadsheet has been developed to record all new Adoption and Special Guardianship allowances and the end dates.
- 3.6 The local authority is appropriately pursuing repayment of the overpayment

4. Reasons for Recommendation

- 4.1 That committee members endorse the ceasing of any Special Guardianship or Adoption Allowance after notice has been given of failure to return the annual financial review documents to the department or the document is incomplete.
- 4.2 A 28 days notice period is given after which if the required information has not been provided to allow the allowance to continue it will be suspended. This is to avoid the potential for overpayment in circumstances where evidence has not been provided to justify the continued payment. Once the required evidence is provided and if the allowance remains payable the payment will be re-commenced and back dated accordingly.
- 4.3 That committee members endorse continued action by the department where appropriate (extreme hardship will not occur) to secure repayment of any overpayments that have been made.
- 4.4 The committee are asked to support measures for the department to seek repayment for any financial support (allowances) paid when there was not an ongoing entitlement to this support. This is to ensure the effect and appropriate use of public money.
- 4.5 That the amended Special Guardianship Policy is applied and letters clearly setting out the responsibilities of any special guardians and their financial obligations are maintain in-line with statutory guidance and case law.
- 4.6 The above measure is to provide clarity and prevent and potential misunderstanding leading to recipients not providing require notification of changes in their circumstances or those of the child. This measure will also improve transparency in relation to how the Council considers the payment of allowances to Special Guardians.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 N/A

6. Impact on corporate policies, priorities, performance and community impact

The impact of the proposed measures are to ensure the effective use of public money for the support of vulnerable children in-line with the Council's duties.

7. Implications

7.1 Financial

Implications verified by: **Sean Clark**
Head of Corporate Finance

There are ongoing budget pressures and it is therefore necessary to ensure that effective measures are in place and implemented as set out in this report to avoid overpayment and the risk of overpayment.

7.2 Legal

Implications verified by: **Lindsey Marks**
Principal Solicitor Children's Safeguarding.

The Council within these measures will meet its statutory duties to promote the welfare of children and provide Adoption and Special Guardianship Support where an allowance is warranted.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Community Development and Equalities Manager

There is a clear focus within these measures on meeting the diverse needs of children, Adopters and Special Guardians within a clear financial and administrative framework.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

- None.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None.

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