

Meeting of:	CABINET
Date of Meeting:	19 MAY 2026
Report Title:	SPECIAL GUARDIANSHIP ORDERS FINANCIAL POLICY REVIEW
Report Owner: Responsible Chief Officer / Cabinet Member	CORPORATE DIRECTORS SOCIAL SERVICES AND WELLBEING DEPUTY LEADER AND CABINET MEMBER FOR SOCIAL SERVICES, HEALTH AND WELLBEING
Responsible Officer:	DAN BOLTON GROUP MANAGER PROVIDER SERVICES
Policy Framework and Procedure Rules:	There is no effect upon the policy framework or procedure rules.
Executive Summary:	<p>This report sets out the outcome of a review of the Bridgend County Borough Council Special Guardianship Order (SGO) Financial Policy, undertaken to modernise the Council’s approach to financial support for Special Guardians, addressing issues associated with the current means-tested system, including complexity, inconsistency, and administrative burden.</p> <p>The revised policy introduces a “No Financial Detriment” model, removing means testing and aligning SGO allowances with fostering allowances, subject to appropriate legislative deductions. This approach improves clarity, supports permanence for children, and aims to ensure carers are not financially disadvantaged when providing long-term care for children within their families.</p> <p>The proposal supports the Council’s Care-Experienced Children (CEC) Reduction Strategy by encouraging transitions from kinship fostering and general fostering to Special Guardianship, strengthening stability and improving long-term outcomes for children.</p> <p>Cabinet approval is sought to implement the revised policy.</p>

1. Purpose of Report

- 1.1 The purpose of this report is to seek Cabinet approval for the implementation of the revised Bridgend County Borough Council Special Guardianship Order (SGO) Financial Policy (**Appendix 1**).

2. Background

- 2.1 The current Special Guardianship financial policy (2020) operates a means-tested model requiring detailed financial assessment and annual reassessment.
- 2.2 In practice, this approach has resulted in:
 - Administrative complexity and delays
 - Inconsistent financial outcomes for carers
 - Increased workload for staff
 - Complaints and reduced confidence from carers
- 2.3 Feedback from carers and service data has identified that financial uncertainty can act as a barrier to progressing from fostering to Special Guardianship.
- 2.4 The existing model does not align with the Council's strategic direction set out the Children and Families 3-year strategic plan 'Think Family' approved by Cabinet in September 2023, which prioritises permanence through family-based arrangements.
- 2.5 A full review of the policy has therefore been undertaken to ensure it reflects current best practice, supports permanence, and provides a clear and consistent financial framework.

3. Current situation/ Proposal

- 3.1 Following completion of the review, a revised Special Guardianship Financial Policy has been developed.
- 3.2 The key change is the introduction of a "No Financial Detriment" model, which:
 - Removes means testing as a standard requirement
 - Aligns SGO allowances with fostering allowances
 - Applies appropriate deductions for Child Benefit and Universal Credit in line with legislation
- 3.3 Under the revised model:
 - Payments are stable and predictable
 - Annual reviews focus on eligibility and changes in circumstances rather than full financial reassessment
 - Administrative burden for both carers and staff is significantly reduced
- 3.4 A proportionate safeguard remains in place to review financial support in exceptional circumstances where a carer's financial position changes significantly.
- 3.5 Transitional arrangements will be implemented to ensure existing Special Guardians are moved onto the revised model in a planned and transparent way.
- 3.6 The revised policy also:
 - Improves clarity of entitlement
 - Aligns with good practice across Wales
 - Strengthens consistency between fostering and permanence frameworks

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The Well-being of Future Generations (Wales) Act 2015 provides the framework for improving the social, economic, environmental and cultural well-being of Wales. The five ways of working have been considered in the development of the revised policy as follows:

Involvement	The policy review has been informed by feedback from Special Guardians and kinship carers, alongside operational input from social work and finance colleagues, ensuring the revised approach reflects both lived experience and service delivery requirements.
Long term	The revised policy supports long-term placement stability by removing financial uncertainty and promoting permanence through Special Guardianship arrangements. This contributes to improved outcomes for children by enabling stable, family-based care.
Prevention	By removing means testing and simplifying the financial framework, the policy reduces the risk of placement breakdown linked to financial pressure and prevents delays in progressing permanence plans.
Integration	The policy aligns with the Council's Care-Experienced Children (CEC) Reduction Strategy and wider sufficiency agenda, supporting the strategic aim of increasing family-based placements and reducing reliance on higher-cost external provision.
Collaboration	The review has been undertaken in collaboration with internal stakeholders and has considered practice across Wales to ensure consistency and alignment with regional approaches.

6. Climate Change and Nature Implications

- 6.1 There are no climate change or nature implications arising from this report.

7. Safeguarding and Corporate Parent Implications

- 7.1 The revised policy strengthens the Council’s safeguarding and Corporate Parenting responsibilities by supporting stable, long-term family placements for children who would otherwise remain looked after.
- 7.2 By reducing financial uncertainty and removing barriers to Special Guardianship, the policy promotes timely permanence planning and reduces the risk of placement disruption. Stable and secure care arrangements are a key protective factor for children, contributing to improved emotional wellbeing, continuity of relationships, and reduced likelihood of re-entry into care.
- 7.3 The policy also supports better use of social work capacity, enabling practitioners to focus on safeguarding, support and permanence planning rather than complex financial reassessment processes.

8. Financial Implications

- 8.1 Financial modelling has been completed to assess the impact of removing means testing from Special Guardianship Order (SGO) payments. The table below compares current expenditure, based on 145 SGO placements, with projected costs under the revised model.

SGO Allowances	Daily Cost £	Weekly cost £	Annual Cost of SGO £	Additional Cost £	Reduced Cost £
Current Cost including means testing	110.09 (current average)	15,963	832,287		
Proposed Cost excluding means testing and not in receipt of benefits	179.72	26,059	1,358,725	526,438	
Proposed Cost excluding means testing but child benefit deducted	153.67	22,282	1,161,779	329,492	
Proposed Cost excluding means testing but child benefit and universal credit deducted	86.10	12,484	650,930		- 181,358

- 8.2 The current weekly cost under the means-tested model is £15,963 (annual £832,287). Under the revised model, costs would increase to a maximum of £26,059 per week (annual £1,358,725) in the absence of benefit and other income deductions.

Where Child Benefit is deducted, the projected annual cost reduces to £1,161,779, and where both Child Benefit and Universal Credit are deducted, the projected annual cost reduces further to £650,930.

This demonstrates a variable financial impact, with potential cost increases where no deductions apply, and reductions below current expenditure where full benefit deductions are in place.

Removing means testing increases the base SGO payment, but in most cases, this is offset by the deduction of Child Benefit and, where applicable, Universal Credit. As the majority of Special Guardians currently receive these benefits, the overall cost impact is expected to be lower than the maximum modelled scenario.

- 8.3 Analysis of current claimant data provides assurance that the assumptions used within the financial modelling are robust. As at February 2026, 121 out of 122 Special Guardians claim Child Benefit, and 58 carers claim Universal Credit for 70 children. This indicates that the lower cost scenarios are reflective of current patterns of benefit uptake rather than theoretical assumptions.
- 8.4 Any additional costs arising from the revised model will be met from existing projected under spends across Special Guardianship (projected £104,074 under spend at quarter 3), in-house fostering (£196,601 projected under spend at quarter 3), and independent fostering (£296,120 projected under spend at quarter 3).
- 8.5 The average weekly SGO payment under the revised model (£179.72) remains lower than the average kinship fostering rate (£216.10), ensuring continued value for money. This reflects the fact that Special Guardians are eligible for Child Benefit and, where applicable, Universal Credit due to their parental responsibility.
- 8.6 Overall, the revised approach is financially sustainable and represents an invest-to-save model, with the potential to reduce longer-term costs through increased permanence, reduced reliance on higher-cost placements, and improved placement stability.

9. Recommendation

- 9.1 It is recommended that Cabinet approve the implementation of the reviewed Special Guardianship Orders Financial Policy (**Appendix 1**)

Background documents

None