

## Summary Sheet

### Council Report:

Cabinet and Commissioners' Decision Making Meeting - 11 July 2016

### Title:

Foster Carer Payment Scheme

### Is this a Key Decision and has it been included on the Forward Plan:

Yes

### Strategic Director Approving Submission of the Report:

Ian Thomas, Strategic Director of Children and Young People's Services

### Report Author(s)

Gary Pickles – Head of Service: Children in Care

### Ward(s) Affected

All

## Summary

- 1.1 This report seeks to improve the care experience for children in Rotherham by ensuring that wherever possible they are looked after in Rotherham in a foster family environment.
- 1.2 The report seeks approval to work with our existing carers to consult and produce a new payment scheme for Rotherham foster carers.
- 1.3 Rotherham has a shortage of all foster care placements, but particularly foster care placements for adolescents. It also places too many young people in residential care. This was commented upon in the Ofsted inspection in 2014 when CYPS at Rotherham Metropolitan Borough Council was judged to be 'inadequate' and the following recommendation was made: "Improve the sufficiency of placements within the borough to meet current needs and strengthen the strategy so that good planning ensures enough places for the future."
- 1.4 Increasing the number of in-house foster carers is critical to ensure that Rotherham:
  - Has a range of suitable placements available to meet current and future placement needs

- Is able to reduce overall placement costs and avoid more expensive Independent Fostering Agency (IFA) and out of borough residential placements
- Is able to meet the needs of individual children and young people in our care by creating stable, secure and high quality family placements
- Supports children and young people in our care to maintain contact with birth families, essential services and their local community

1.5 A new payment scheme, co-produced with foster carers, is an important aspect of the Sufficiency Strategy and will - alongside other initiatives - help to modernise and transform the fostering service so that is fit for purpose and able to attract and maintain sufficient foster carers to meet the needs of local children and young people in our care.

## **Recommendations**

2.1 It is recommended that Commissioner Bradwell agree:

- That officers undertake a formal consultation for a period of 6 weeks with foster carers regarding the rationale and options for a revised scheme, with a view to that scheme being implemented in October 2016.
- That a further report be submitted regarding the outcome of the consultation and that a decision be made on the proposed new scheme in September 2016.

## **List of Appendices Included**

None

## **Background Papers**

- Sufficiency Strategy 2015-2018
- Child Centred Borough Strategy

## **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

Corporate Parenting Panel

## **Council Approval Required:**

No

## **Exempt from the Press and Public**

No

## **Title: Foster Carer Payment Scheme**

### **1. Recommendations**

- 1.1 It is recommended that Commissioner Bradwell agree:
- That Officers undertake a formal consultation for a period of 6 weeks with foster carers regarding the rationale and options for a revised scheme with a view to that scheme being implemented in October 2016.
  - That a further report be submitted regarding the outcome of the consultation and that a decision be made on the proposed new scheme in September 2016.

### **2. Background**

- 2.1 Section 22G of the Children Act (1989) requires local authorities to take strategic action in respect of those children they look after and for whom it would be consistent with their welfare for them to be provided with accommodation within their local authority area. In those circumstances section 22G requires local authorities, so far as is reasonably practicable, to ensure that there is sufficient accommodation for those children that meets their needs and is within their local authority area. This is called the Sufficiency Duty.
- 2.2 Underpinning Rotherham's Sufficiency Strategy 2015-2018 is a review of Rotherham's fostering provision, including a review of the payments to foster carers. The strategy explains the vision for the local authority as it moves towards a position where every child will have access to the right placement, in the right place, at the right time. There are other separate but related strands of work that contribute to this vision; including the Strategic Commissioning Review of in-house Residential Care, the development of an Edge of Care service, the Taking Care partnership with the NSPCC to support the reunification of children with their parents and the proposed expansion of the Rotherham Therapeutic Service to offer placement support.
- 2.3 Having a range of options and identifying the right placement for each child is key to achieving placement stability and permanence. However, foster care is still the most common placement choice for children; 85% of children live with unrelated foster carers (DfE, 2013). Therefore, developing a proportionately high number of fostering placements is seen as key to developing a strong sufficiency position.
- 2.4 To date the lack of sufficient foster placements has meant that Rotherham has had to rely on the use of independent fostering agencies or independently run children's homes, all of which are more costly. At the 31<sup>st</sup> March 2016 Rotherham had 185 children and young people placed externally in independent provision. This has led to a position where there is significant pressure on the external placement budget. The current budget is £12,030,888, and the predicted spend in

2016/17 is £13,220,000. This paper aims to make an impact on Rotherham's spend on external placements by using Rotherham foster placements instead.

- 2.5 Rotherham has a shortage of all foster placements but particularly of placements for adolescents. Work has been done to improve the commissioning of foster placements from independent fostering agencies but there is still a shortfall in the availability of family placements. There is a recognised need to expand and develop Rotherham's own fostering community.
- 2.6 The shortage of adolescent carers reflects a national picture. However, some local authorities have reversed this trend and expanded their stock of placements for adolescents. With the right support and payment scheme in place there is no reason why Rotherham cannot do the same.

### **3. Key Issues**

- 3.1 Foster carers receive three different payments.
  - 3.1.1 Firstly, they receive an allowance which is to cover the expense involved in caring for a child. The allowance is regulated by the government and they annually publish a National Minimum Rate (NMR) for allowances. Many agencies pay the NMR, whilst others pay in excess of the NMR. As Rotherham already pays above average NMR it is proposed that this is excluded from the scope of the consultation.
  - 3.1.2 The second payment that foster carers receive is to cover expenses and miscellaneous payments. These cover such things as mileage allowances, equipment grants and birthday, festival and holiday payments. As this covers all reasonable expenses it is proposed that this too is excluded from the scope of the consultation.
  - 3.1.3 The final payment that foster carers receive is the fee. This comprises of the 'salary' paid to the foster carer for caring for a child on behalf of the Council. Benchmarking indicates that the fee that Rotherham pays is lower than many other areas. Consequentially, this paper recommends consultation on the fee and reward package for foster carers.

### **4. Options Considered and Recommended**

- 4.1 Option One: *Take no action*. This is likely to result in a continuation of the current position where an unacceptable number of children and young people are placed with costly independent providers and/or away from the borough and 'at a distance' from their family, schools

and support networks. Taking no action will also challenge Rotherham's ability to meet its sufficiency duty.

- 4.2 Option Two: Resolve that Officers undertake a formal consultation for a period of 6 weeks with foster carers regarding the rationale and options for a revised payment scheme, with a view to that scheme being implemented in October 2016. Any new co-produced scheme would have a positive impact on placement availability so that children could be placed within in-house foster care provision rather than more expensive independent fostering or residential homes and offer a significant saving. **This is the recommended option.**
- 4.3 In reviewing the payments made to foster carers in Rotherham three criteria would be considered:
- Financial sustainability of the proposed payments
  - Ensuring the fostering service remains financially competitive, whilst supporting the recruitment and retention of foster carers
  - Supporting the intent set out in the Sufficiency Strategy to recruit more locally based foster carers for target groups.

The fostering team will engage with existing carers and other stakeholders to explore what type of payment model would best suit the Rotherham context.

- 4.4 This proposal offers a real opportunity to create secure, stable and high quality permanent homes for Rotherham children in care and will be the cornerstone of a raft of measures designed to modernise and transform the fostering service. This will include a restructuring of the fostering service to ensure support and training for carers is enhanced and that there is an increased focus on identifying permanent homes for children, thereby reducing drift and delay in their lives. Finally, a series of targeted events are planned to generate an interest amongst current Rotherham foster carers to consider caring for adolescents.

## 5. Consultation

- 5.1 It is proposed that this co-production and consultation will last for a period of six weeks. The purpose of the approach will be to garner the views and preferences of our existing carers and to avoid any unintended consequences of the proposal. Foster carers will be able to participate in a variety of ways including by letter, at a shared forum open to all foster carers and through an invitation to meet with key officers in private. It is proposed that the outcome of the consultation is reported to the Commissioner for Social Care in September 2016 for a final decision to be made on the proposal.

## **6. Timetable and Accountability for Implementing this Decision**

- 6.1 Formal agreement to consult with foster carers will determine a timeline through to implementation of a revised payment scheme.

## **7. Financial and Procurement Implications**

- 7.1 Any proposed investment (subject to consultation, and a further report to Commissioners) in a new payment scheme for Rotherham Metropolitan Borough Council (in-house) foster carers is expected to augment the likelihood of attracting additional carers to foster children in a local family based setting whilst retaining existing carers.
- 7.2 The proposal states that any potential additional costs of implementing a new scheme would be more than offset by the reduction in the cost of looking after children as a result of them no longer being placed with either an independent foster carer or in an out of authority residential setting. In bringing forward a further report to the Commissioner for Social Care in the near future, the service will need to clearly set out the financial business case for the investment proposal; including the expected cashable savings (cost reductions) to be generated and profiled over the period 2016/17 to 2019/20. Equally, such an investment business case would need to be considered as part of the Council's overall budget process and governance framework to ensure it is appropriately considered alongside other competing resource priorities.

## **8. Legal Implications**

- 8.1 The legal implications are covered within the main body of this report.

## **9. Human Resource Implications**

- 9.1. Not applicable

## **10. Implications for Children and Young People and Vulnerable Adults**

- 10.1 Anticipated increase in the number of foster carers in Rotherham as a result of a proposed increase in value of payments paid.

## **11. Equalities and Human Rights Implications**

- 11.1 An Equality Analysis will be carried out on plans to implement any amendments to the scheme in September, subject to commissioner approval.

## **12. Implications for Partners and Other Directorates**

- 12.1 None predicted.

### **13. Risks and Mitigation**

13.1 Should the final proposal result in an increase in payment that fails to recruit a significant number of adolescent foster carers and offset the cost of external placements the Council will incur the associated financial penalty. To mitigate this risk, the Directorate has undertaken research and will have gained a degree of certainty to support the claim that any increased payment will offer an inducement to potential foster carers to offer their services to Rotherham Metropolitan Borough Council. RMBC will also refresh its marketing strategy to specifically attract foster carers with the capacity to care for adolescents and children with more complex needs. The Children's Improvement Board will be kept apprised of progress on the recruitment and retention of carers.

### **14. Accountable Officer(s):**

Gary Pickles: Head of Service – Children in Care

Approvals Obtained from:

Finance and Corporate Services: Paul Jackson/ Joanne Robertson

Legal Services: Neil Concannon

HR Services: Luke Ricketts

This report is published on the Council's website or can be found at:

<http://modern.gov.rotherham.gov.uk/ieDocHome.aspx?Categories>