

Summary Sheet

Council Report:

Overview and Scrutiny Management Board – 2 September 2016
Cabinet and Commissioner Decision Making Meeting – 12 September 2016

Title:

Outcome of Consultation and Proposed Foster Carers Payments Scheme, Support and Development

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)

Anne-Marie Banks – Service Manager; Fostering and Adoption

Ward(s) Affected

All

Summary

- 1.1 Rotherham Council, as a developing 'Child Centred Borough', has a strong resounding ambition to move away from the legacy of poorly performing services to a position of strength and confidence, which is reflected in the intention of the Children and Young People's Services Directorate to be rated 'outstanding'. In pursuit of this ambition the in-house Foster Care service for children and young people has worked to co-produce a revised 'offer' for Foster Carers.
- 1.2 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.
- 1.3 Rotherham has a shortage of all foster care placements, but particularly foster care placements for adolescents and larger sibling groups. The Council places too many young people in residential care. This was commented on in the 2014 Ofsted inspection report when Children Social Care 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 In July 2016 Commissioners and Cabinet approved a formal consultation for a period of six weeks with Foster Carers regarding the rationale and options for a revised scheme, with a view to that scheme being implemented in October 2016. This has been undertaken and this report proposes a revised scheme for Rotherham based on providing financial incentive, good quality support, and training.
- 1.5 Investment in improving the 'offer' to Foster Carers will help attract additional carers to foster for Rotherham and support the retention and development of existing Foster Carers. It is an important enabler for the Council in meeting sufficiency of placement provision for Looked after Children (LAC) and ensuring that wherever possible this provision is in a Rotherham foster family environment.
- 1.6 Alongside other initiatives, this will enable the reduction of overall placement costs and avoid use of more expensive Independent Fostering Agency (IFA) and residential placements.

Recommendations

Overview and Scrutiny Management Board is asked to consider the report and recommendations detailed below:

1. That the proposed foster carer payment scheme, including short break Foster Carers fees be approved.
2. That the amended relevant policy as set out in Appendix 1 be implemented.
3. That the implementation of quality support and training as part of the improved offer for Foster Carers be approved.

List of Appendices Included

Appendix 1 – Revised Fees and Allowances for Foster Carers (Separate Document)
Appendix 2 - Current Skill Fees & Revised Skill Fees
Appendix 3 - Estimate of National Minimum Payments
Appendix 4 - Estimate of Skills & Placement Premium Payments
Appendix 5 - Estimate of Costs of the Revised In-House Foster Care Programme in Relation to Estimated Costs of Other Forms of LAC Provision 2017/18 to 2020/21

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:

Outcome of Consultation and Proposed Foster Carers Payments Scheme, Support and Development

1. Recommendations

- 1.1 That the proposed foster carer payment scheme, including short break Foster Carers fees be approved.
- 1.2 That the amended relevant policy as set out in Appendix 1 be implemented.
- 1.3 That the implementation of quality support and training as part of the improved offer for Foster Carers be approved.

2. Background

- 2.1 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. This is in accordance with the authority's ambition to become an outstanding children's services authority.
- 2.2 It is well understood that the needs of children and young people can only be met effectively if they live in an environment that provides a high quality of care and support. In general this is located within a family home setting, which additionally is also the most cost effective placement. It also follows that, wherever possible, children and young people should be placed within their own community which enables them to continue to have contact with the people and community of the most importance to them, thus promoting a strong sense of self, fundamental to resilience in later life.
- 2.3 Rotherham Borough Council has 444 children in care. Around 188 are placed with Rotherham Borough Foster Carers. This is a lower proportion than the majority of local authorities of a similar size. Rotherham has a shortage of all foster placements but particularly of placements for adolescents and for larger siblings groups. There are too many children and young people placed out of borough because there are not enough local placements.
- 2.4 The lack of sufficient foster placements means that Rotherham relies on the use of independent fostering agencies or residential provision, all of which are more costly. This has led to a position where there is significant pressure on the external placement budget.

3. Key Issues

- 3.1 In response to the current sufficiency position work has begun to transform the local authority's in-house fostering agency 'offer'. This includes a review of Rotherham's fostering provision, including a review of the payments to Foster Carers. A review of the number of placements within the existing cohort of Foster Carers is underway. It is anticipated that some existing Rotherham foster households will be able to increase the number of children they care for and provide an opportunity to increase placements.

- 3.2 However, the Council will not meet its sufficiency of placement provision for 'Looked After Children' without attracting additional carers to foster for Rotherham and ensuring existing Foster Carers are retained and developed. Working with Foster Carers to understand what factors within an 'offer' would attract and retain Foster Carers has been undertaken.
- 3.3 In July 2016, commissioners and cabinet approved 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.
- 3.4 The consultation with Foster Carers considered the elements of the current scheme, namely:
- A weekly allowance, to cover the expense involved in caring for a child (in line with National Minimum Rates) e.g. school meals etc.
 - A payment to cover expenses and miscellaneous payments, e.g. mileage
 - A fee paid to the foster carer for caring for a child on behalf of the Council – in Rotherham known as the 'Skills Level Payment'
 - A 'Foster Plus' scheme for carers, which is targeted at 'difficult to place children'/ children with complex needs.
- 3.5 The Foster Carers commented on the type of remuneration model that would best suit the Rotherham Borough Fostering Community. Foster Carers were positive about retaining the structure of the current scheme, liking the concept of the current skills level framework as it is easy to understand and transparent in operation. Foster Carers said that there has been no incremental increase in either fees or allowances since 2014. Carers wanted a skills level payment that reflected a fair scale and felt that the incremental increases were too steep and a higher starting level would be more attractive to newly approved Foster Carers, or prospective Foster Carers.
- 3.6 Whilst financial incentives are a consideration, Foster Carers have said that they regard the level of support received from their fostering social worker as being critical to their fostering experience. This was also true when managing complex placements. They identified the wrap around support provided in such circumstances makes the difference to their commitment to foster for Rotherham. It was also clear that the current support is at times patchy and at others, unresponsive to the needs of Foster Carers at the time that it is needed.
- 3.7 In reviewing the fee rate and developing the 'offer' it is essential to ensure the fostering service remains financially competitive, whilst supporting the recruitment and retention of more locally based Foster Carers.
- 3.8 A comparison of schemes in the Yorkshire and Humber region shows that the 'offer' to Foster Carers includes the allowance (national minimum rates regulated by government), expenses, and an additional discretionary fee element. A sample of allowances and expenses paid by authorities in the Yorkshire and Humber region evidences that the Rotherham figures are

broadly in line with neighbouring authority rates. The discretionary element of the schemes reviewed was found to take the form of a higher rate paid on a case by case basis and reflects the needs of the young person and a skills level payment. Rotherham's current higher rate scheme is the 'Fostering' Plus scheme which is targeted at 'difficult to place children'/ children with complex needs. Rotherham has a skills level payment scheme and analysis shows that it is this fee that falls short of those compared against neighbouring authorities.

- 3.9 There are only four fostering households in Rotherham's 'Fostering Plus' Scheme. This is because the criteria for acceptance onto the scheme are restrictive e.g. the carers cannot work and there can be no other children who live in or who regularly visit the household. Indeed, very few fostering schemes now use 'difficulty of the child' as a criterion as it sets up a perverse incentive for carers to label children as 'difficult'. In this respect, the 'Foster Plus' Scheme could be phased out over time if a more appropriate product took its place.
- 3.10 Foster Carer skill payments are not regulated in any way resulting in some variation in what is paid by different foster care providers. Skills payments are used within a number of neighbouring and regional Local Authorities and an understanding of the rates paid is important in ensuring that Rotherham's 'offer' is competitive and sustainable.
- 3.11 The most recent national research on fee levels was undertaken by The Fostering Network in 2010 and levels are shown in appendix 2 table 2. This showed that most Skills Payments (45% nationally) were up to £200 per week. It would be the intention that any changes to the skills payments would not exceed this. In most instances, the highest fee payments were generally paid to those who were caring for complex and challenging adolescents. This demonstrates that an incentive has been required to attract Foster Carers to care for this cohort.
- 3.12 Rotherham's existing skills level payment scheme when contrasted against research on other Local Authority appears to offer little incentive to attract new Foster Carers and this was confirmed during the foster carer consultation. Appendix 2 table 1 shows Rotherham current skills payments falling well below other neighbouring authorities, especially at entry level.
- 3.13 It is a requirement of local authorities to provide "breaks from caring, for carers of disabled children, to support them to continue to care for their children at home and to allow them to do so more effectively," (The Children Act 1989). Rotherham's Short Break Care Scheme is known as 'Families Together for Short Break Care,' and within the Fostering Service, there are 15 Short Break Foster Carers. Foster Carers within this scheme receive an hourly payment, and when applicable a sleeping night rate. The rates for this cohort have been considered and are lower than similar Foster Carers in neighbouring local authorities whose rates are in line with the national minimum wage (Appendix 2 – Table 4). Opportunity to redress this should be taken within the proposals.

3.14 The outcome of the consultation and review is that the proposed 'offer' incorporates financial incentive, good quality support, training and development for Rotherham's Foster Carers.

4. Options considered and recommended proposal

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 in residential care, and with independent providers and/or away from the borough and 'at a distance' from their family, schools and support networks. This would have an adverse impact on outcomes for children and costs would continue to remain high.

4.2 Option Two: **(recommended option)**: To develop a foster carer 'offer' that incorporates the following: competitive financial incentives, good quality support and training and development. This will require some investment, but an increase in the number of these placements will be a key enabler in improving outcomes and reducing the overall cost of placement provision.

4.2.1 **The Proposal**: The proposal is to revise the current 'offer' in the following way:

- Increase the 'Skills Level Payment' in line with the revised scheme shown at (Appendix 1).
- Introduce a placement premium which will apply to Foster Carers taking 'harder to place' children in line with the proposed criteria (Appendix 2 Table 3).
- Provide a consistent and responsive range of support open to the Foster Carers and children in their care.
- Provide good quality training and development for fostering families, and provide for membership to the Fostering Network
- Introduce a new model of recruiting for Foster Carers.
- Increase the payments to Short Break Foster Carers in line with the revised scheme shown at (Appendix 1)

4.2.2 The proposal would increase all three of the skills levels payment fees, with a more competitive starting payment at Level 1 to attract new Foster Carers with the skills to care for vulnerable children. It will be possible for Foster Carers to progress to level 2 and 3, through a good quality training and development package. This will reward Foster Carers for demonstrating the skills and abilities to care for a range of children who become children in care, and for having a positive impact on the child's behaviours, outcomes and aspirations.

4.2.3 The proposed skills payment has been based on a level in keeping with the rate paid by neighbouring local authorities. The payment for Skills level 1 responds to points made during foster care consultation.

4.2.4 It is also proposed that a 'Placement Premium' is paid in exceptional circumstances, which is reflective of any additional complexities that would need to be considered at the time of placement. The criteria and process for

the new premium is described in the proposed revised foster care scheme policy document at Appendix 1. The criteria are not designed to pathologise the child as 'difficult', rather the Placement Premium will be linked to clear expectations placed upon the foster carer and will contribute to placement provision for adolescents and for larger siblings groups. The proposal is in line with national research, which points to the necessity of an incentive to care for this challenging cohort.

4.2.5 This proposal requests that the Short Break Carer payment is increased in-line with neighbouring authorities. This does not directly affect the Foster Carers Payment for Skills Scheme but redresses an outstanding issue with regard to the fees being remunerated for both hourly and sleeping night rates for this group of foster carers.

4.2.6 Finally, the development of a responsive range of support to Foster Carers will benefit the Council by increasing placement availability, better matching considerations and placement stability thus avoiding disruption and change for children in care.

This will include:

- A permanent support worker to provide a quick response to fostering families in crisis as part of the team around the placement.
- Dedicated fostering out of hours support comprising fostering social workers who will be contactable by telephone, out of hours in line with Fostering National Minimum Standards (2011).
- Recruitment resource to increase recruitment of Foster Carers and to enhance the fostering journey through to approval.
- Dedicated budget to commission foster carer training and development including membership to Fostering Network.

4.2.7 Over the last year the council has launched its recruitment advertising 'Local Hero' campaign. The council now needs to step up its recruitment and retention activity and improve the recruitment journey from the initial enquiry through to approval and placement. The target increase of foster placements is 15 placements year on year, this equates to around 60% of children placed in local authority care. The proposal incorporates a dedicated recruitment resource working alongside Communications and Marketing to develop campaigns to achieve this.

4.2.8 Research indicates that 'word of mouth' and social media are the most successful routes to foster. Gathering intelligence from Rotherham's community of foster carers will be central to the recruitment strategy and advertisement of the revised Rotherham 'offer'.

4.2.9 This proposal requests that the Short Break Carer payment is increased in-line with neighbouring authorities. This does not directly affect the Foster Carers Payment for Skills Scheme but redresses an outstanding issue with regard to the fees being remunerated for both hourly and sleeping night rates for this group of Foster Carers.

4.2.10 Investment in improving the 'offer' to Foster Carers will help attract additional carers to foster for Rotherham and support the retention and development of existing Foster Carers. It is an important enabler for the Council in meeting sufficiency of placement provision for Looked after Children and ensuring that wherever possible this provision is in a Rotherham foster family environment.

4.2.11 The intention is to increase the number of Foster Carers in the local authority, but more importantly, more placement choice when matching children with fostering families. There are ongoing requirements for the continued supervision of Foster Carers by the fostering service. It is important that this does not diminish, as the proposed scheme will not only rely on increased Foster Carers, but highly skilled Foster Carers, who can access training and development that equips them with the necessary skills and knowledge to meet the needs of children in care.

5. Consultation

5.1 A formal consultation with Foster Carers regarding the rationale and options for a revised scheme was undertaken and has informed this proposal.

5.2 Foster carers were very clear that their motivation to foster was not solely based on finance. However, they felt that a 'fair' increase in payments would reinforce their status as part of the professional team around the child.

5.3 Foster Carers felt that support was equally as important as the payments. One Foster Carer commented that "all the money in the world wouldn't maintain a child in placement"... "it's the support that makes the difference".

5.4 One carer also commented that "Not all teenagers are challenging, some of their behaviour is just normal teenage stuff".

5.5 A number of carers suggested that a range of support should be provided including therapeutic provision, social worker visits and 'Out of Hours' fostering support to "offer better access when you need it".

5.6 The shape of the proposed scheme has been fed back to the Foster Carers who confirmed that they felt this was the right approach and would be attractive to new carers in providing placements for teenagers and sibling groups.

5.7 Foster Carers who have experience of caring for adolescents and larger sibling groups were represented in the consultation groups to ensure that the target group for recruitment was represented.

6. Timetable and Accountability for Implementing this Decision

6.1 Subject to approval, the revised payment structure will be introduced in October 2016. The wrap around support and development will be operational by 31 March 2017.

7. Financial and Procurement Implications

- 7.1 The changes to foster carers' allowances are the first of a range of interventions planned as part of the wider Looked after Children (LAC) Sufficiency Strategy. The Strategy seeks to deliver better outcomes for children in care by reducing the number of children in more expensive care settings through an 'invest to save' approach.
- 7.2 The unit costs of the proposed changes to foster carers' payments, including wrap around care and the revised families' together scheme are outlined in Appendices 1, 2, 3 and 4.
- 7.3 In summary, the increased costs from these proposals, and an estimated rise in expected LAC placements with Rotherham foster carers of fifteen per year, could have the following effect on the foster carer allowances budget:

Table 1: Investment required to fund the new foster carer allowances and the expected rise in the number of children placed with in-house foster carers (£m)

	2017/18	2018/19	2019/20
Foster Carer Allowances Budget (Current)	2.655	2.735	2.817
National Minimum Payment Rate	2.117	2.292	2.488
Skills Level Payment	1.312	1.443	1.577
Placement Premium	0.272	0.486	0.701
Wrap Around Care Offer	0.155	0.155	0.155
Families Together	0.075	0.077	0.079
Total Foster Carer Costs (Proposed)	3.931	4.453	5.000
Investment required over and above budget (Proposed "minus" Current)	1.276	1.718	2.182

- 7.4 The implementation of the allowances offer and the resulting rise in placements with in-house foster carers could lead to long term savings on the overall Looked after Children budget. Assuming overall LAC numbers remain broadly static, there would be a corresponding fall of fifteen in the number of LAC being placed in more expensive settings (Table 2).

Table 2: Indicative savings due to less children being placed in expensive settings (£m)

	2017/18	2018/19	2019/20
Independent Fostering Agencies (IFA) "As Is"	7.405	7.553	7.704
Independent Fostering Agencies (IFA) "To Be"	6.341	5.726	5.063
Savings (Indicative)	-1.064	-1.828	-2.641
Out of Borough (OOB) Residential "As Is"	6.877	7.015	7.155
Out of Borough (OOB) Residential "To Be"	6.568	6.182	5.816
Savings (Indicative)	-0.309	-0.833	-1.339
Savings IFA and OOB (Indicative)	-1.374	-2.660	-3.980
Additional Investment over and above budget	1.276	1.718	2.182
Overall LAC Savings net of investment	-0.098	-0.942	-1.798

7.5 The modelling undertaken shows that the required budget investment will be offset by a reduction in expenditure on the more expensive independent foster agencies and out of borough placements due to a greater proportion of children being placed with in-house foster carers.

8. Legal Implications

8.1 The current proposals demonstrate that Rotherham Metropolitan Borough Council has implemented a fair approach in that it has considered amounts paid by comparative authorities; whilst also taking into account national research to devise proposals which will assist it in improving services and carrying out its statutory duties towards its looked after children.

9. Human Resource Implications

9.1. The proposal includes the establishment of a Support Worker (Grade G, subject to evaluation) and a foster carer recruitment resource (Grade G, subject to evaluation) to support recruitment of Foster Carers and to enhance the fostering journey through to their approval.

9.2 The 'out of hours' proposal is based on current fostering social workers working on a rota basis to cover out of hours and is predicated on an on-call payment. The payments will be aligned to the appropriate levels as per current terms and conditions and will become a contractual requirement. This proposal will be consulted upon with employees affected and the trades unions.

10. Implications for Children and Young People and Vulnerable Adults

10.1 The proposal seeks to attract additional Foster Carers and placements such that wherever possible, children and young people can be placed within their own community. This will enable them to continue to have contact with the

people and community of the most importance to them, promoting a strong sense of self, fundamental to resilience in later life.

11. Equalities and Human Rights Implications

- 11.1 The proposed scheme has been developed (appendix 5) following a full consultation with foster carers. The overall assessed impact is concluded to be a positive one in terms of enhanced allowances, additional support, and training. Foster carers felt that scheme changes were positive in terms of future recruitment and retention of foster carers.
- 11.2 Protected characteristics identified as part of the analysis show that the majority of main prime carers are white female and over the age of 51. Only a small number of carers are from a BME background. A further equalities analysis will be undertaken in 6 and 12 months respectively in order to more accurately gauge the impact on carers and inform the foster carer recruitment strategy.

12. Implications for Partners and Other Directorates

- 12.1 None predicted.

13. Risks and Mitigation

- 13.1 There is a risk that Foster Carers may receive an increase in payments without increasing the number of children being cared for. If the planned number of Foster Carers does not increase then this could have a negative impact on the Councils budget. This is mitigated by the change in approach and the recruitment resource identified in this proposal, which will include a marketing strategy to specifically attract Foster Carers with the capacity to care for adolescents and children with more complex needs.
- 13.2 The proposal is underpinned by the analysis, research, and consultation to provide assurance that the revised scheme will offer an inducement to potential Foster Carers to offer their services to Rotherham Council.
- 13.3 The impact of the proposal will be tracked through the Children's Improvement Board and the Directorate's performance and budget monitoring.

14. Accountable Officer(s):

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

Approvals Obtained from:-

Finance and Corporate Services: - Mark Chambers/ Colin Allen 18.8.2016

Legal Services: - Mary Reilly 17.08.2016

HR Services: - Theresa Caswell, 12.8.2016

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