

Committee Name and Date of Committee Meeting

Cabinet – 08 July 2019

Report Title

Revised Foster Carer Fees and Allowances Payment Scheme

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

Yes

Strategic Director Approving Submission of the Report

Jon Stonehouse, Strategic Director of Children and Young People's Services

Report Author(s)

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Ward(s) Affected

All

Report Summary

The vision in Rotherham is 'Working with Rotherham's children, young people and families to be safe, resilient and successful'. The Council is seeking to improve the care experience for children in Rotherham by ensuring that wherever possible they are looked after in a foster family environment. In the spirit of this ambition the Council is proposing to revise its 'offer' to foster carers with regard to the fees and allowances that they receive. This will also lead to a reduced overall cost in line with Budget assumptions.

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, generally within a family home setting and in a geographical location that is familiar. 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 identity and a strong sense of self, fundamental to resilience in later life. In addition, placing children in the RMBC area ensures a better oversight and control over educational provision and other support services such as Health and Community Adolescent Mental Health Services (CAMHS).

Recruitment and retention of in-house foster carers is at the heart of RMBC's LAC Sufficiency Strategy; 82% of Rotherham's LAC population are in family-based settings. In 2018/19 the Council spent £11.122m on 263 IFA placements compared to £3.188m on 167 in-house placements, equating to a 61/39% split respectively. As part of the overall strategy it is intended to change the placement mix, profiling a net increase of 36 new in-house foster placements over a 12 month period. The

proposals in this report are part of delivering that change. Increasing the number of in-house carers is critical to ensuring 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.

This revised foster carer fees and allowance payment scheme is being proposed in order to ensure that Rotherham is best placed to meet the objectives detailed above.

Recommendations

That approval be given to the implementation and changes to Foster Carer Fees and allowances as follows:

- An additional skill level fee to be paid to the carer when caring for more than one child, as set out in paragraph 2.11.
- The weekly allowance, to cover the expense involved in caring for a child, to remain the same.
- Change in payments to foster carers for birthdays, Christmas/cultural celebrations and holiday pay for the child in placement, as set out in paragraph 2.11.

List of Appendices Included

Appendix 1 Equality Assessment

Background Papers

Revised Recruitment & Sufficiency Strategy

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

Yes

Exempt from the Press and Public

No

Revised Foster Carer Fees and Allowances Payment Scheme

1. Background

- 1.1 This report seeks to improve the care experience for children and young people in Rotherham by ensuring that wherever possible they are looked after in Rotherham in a foster family environment.
- 1.2 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.
- 1.3 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 all looked after 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.
- 1.4 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 some consistency in education and 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.
- 1.5 Rotherham Metropolitan Borough Council currently has 648 (as of 18/06/19) children in care. Around 170 are placed with Rotherham Borough foster carers. 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 simply because there are not enough local placements.
- 1.6 The lack of sufficient foster placements means that Rotherham relies on the use of Independent Fostering Agencies (IFAs) or residential provision, both of which are significantly more costly. This has led to a position where there is significant pressure on the external placement budget with the average cost of an IFA amounting to circa £847 per week as opposed to an in-house placement costing circa £301 per week (dependent on the additional needs of each particular looked after child). Performance data also evidences that in house placements are more likely to maintain placement stability because the social work support is more readily at hand and the placements are likely to be more local, thus maintaining links for the child with family and community which can strengthen attachments for young people.

- 1.7 Comparisons with other authorities within the Yorkshire region have been carried out and learning from the more successful recruiters has been incorporated into this proposal e.g. Leeds incentivising carers to take additional placements. The proposals in this report will increase the incentive for potential foster carers to become RMBC foster carers and also provide an incentive for foster carers (current and potential) to increase the number of children they foster.
- 1.8 Whilst foster carers who were consulted stated that finances are not their primary motivating factor it is also clear that any allowance scheme that is perceived to be iniquitous can be a disincentive to prospective carers pursuing their interest in fostering within Rotherham. As a result, in formulating this revised scheme the following factors have been taken into consideration:
- A review was undertaken in February 2019 and identified that there is insufficient incentive within the current scheme to encourage carers to offer a placement to more than one child at a time.
 - RMBC continues to find it difficult to place adolescents with in-house carers. As a result, whilst there is an over-supply of placements for babies and very young children, older children have a much greater likelihood of being placed within an IFA. The proposed changes will provide increased incentive for in house foster carers to take adolescents and also children with complex needs.

2. Key Issues

- 2.1 In response to the current sufficiency position, this proposal forms part of the work 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. It is anticipated that some existing Rotherham foster households may be able to increase the number of children they care for and provide an opportunity to increase placements.
- 2.2 However, the Council will not meet its sufficiency of placement provision for 'Looked after Children' without attracting additional carers to foster for Rotherham as well as ensuring existing foster carers are retained and developed.
- 2.3 The consultation with foster carers at the Foster Carer Association considered the elements of the current fees and allowances as follows:
- An additional skill level fee to be paid to the carer when caring for more than one child
 - The weekly allowance, to cover the expense involved in caring for a child to remain the same (above National minimum average recommended)
 - Changes to payments to foster carers for birthdays, Christmas/cultural celebrations and holiday pay for the child in placement.

- 2.4 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 most 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.
- 2.5 In reviewing the fee rate and structure 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.
- 2.6 The outcome of the consultation and review is that the proposed 'offer' incorporates financial incentive and ongoing good quality support, training and development for Rotherham's foster carers.
- 2.7 Revising the fees and allowances is just one part of the plan to increase and retain the in-house foster carer base. The Council is also working to improve the Transfer Protocol for carers wishing to transfer over from Independent Fostering Agencies (IFA's) as well as improve the online/social media presence. Existing and traditional recruitment strategies are failing to stimulate the required increase of in-house fostering capacity and IFAs are actively targeting Rotherham residents to become agency foster carers.
- 2.8 **Current Weekly RMBC Fees and Allowances**
- 2.9 The current fee structure is set out below. This shows that the skills payment is currently only payable for the first child. The maintenance payment is applicable to all children as are the other allowances for birthdays, etc.

Skills Payment (1st child only)

Skill level	1 st placement	2 nd placement	Subsequent placements
1	£100.00	N/A	N/A
2	£125.00	N/A	N/A
3	£175.00	N/A	N/A
4	£360.00	N/A	N/A

Maintenance Payment (per child)

Child Age	Amount
0 - 4	£133.54
5 - 10	£152.12
11 - 15	£189.37
16+	£230.30

Birthdays, Christmas and holiday allowances (per child per occasion) to be paid in addition to the above allowances:

Age	Birthday	Christmas/cultural celebrations	Holiday
0 - 4	£121.85	£182.77	£243.70
5 - 10	£137.98	£206.97	£275.96
11 - 15	£168.09	£252.13	£336.17
16 +	£ 206.25	£309.39	£412.51

2.10 Proposed Weekly RMBC Fees and Allowances

2.11 The proposed fee structure is set out below. The skills payment for the first child remains the same but there is an additional payment for subsequent children. The maintenance payment remains unchanged. The other allowances for birthdays, etc. has been changed marginally to align with other local authority schemes where these payments are directly linked to the value of the maintenance payments.

Skills Payment (1st child only)

Skill Level	1 st placement	2 nd placement	Subsequent placements
1	£100.00	£100.00	£50.00
2	£125.00	£125.00	£62.50
3	£175.00	£175.00	£87.50
4	£360.00	£366.00	£180.00

Maintenance Payment (per child)

Child Age	Amount
0-4	£133.54
5-10	£152.12
11-15	£189.37
16+	£230.30

Birthdays, Christmas and holiday allowances (per child per occasion) to be paid in addition to the above allowances:

Age	Birthday	Christmas/cultural celebrations	Holiday
0-4	£133.54	£133.54	£267.08
5-10	£152.12	£152.12	£304.24
11-15	£189.37	£189.37	£378.74
16 plus	£230.30	£230.30	£460.60

Options considered and recommended proposal (Foster Carer fees and allowances last reviewed in 2016)

3.1 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, 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 overall placement costs would continue to remain high. Also, the Budget approved by Council in February 2019 included a cost reduction programme linked to market management and the proposals in the report are a mechanism to deliver part of that.

- 3.2 Option Two: (**recommended option**): To develop a foster carer 'offer' that ensures all carers are incentivised and incorporates the following: competitive financial incentives for caring for additional children/young people, good quality support and training and development. Whilst this will require changes to the payment structure, an increase in the number of these placements will be a key enabler in improving outcomes and reducing the overall cost of placement provision.
- 3.3 Option Three: To develop a foster carer offer that is comparable to other local authorities and provides a financial incentive to increase the number of in-house foster care placements. This would involve reducing the weekly allowances paid to carers with only one child in placement and the allowance paid for the two higher age groups to bring them more in line with the National Foster Care Allowances. However, whilst this option may incentivise existing carers to take an additional placement it may also create a disincentive to new carers considering fostering for Rotherham. It may also create a disincentive for carers to foster older children for whom Rotherham faces particular challenges in securing appropriate in-house foster placements and who are therefore more likely to be placed in IFA placements or in residential care.

4. Consultation on proposal

- 4.1 A consultation was undertaken with foster carers at the Foster Carer Forum in April regarding the rationale and options for a revised Fees and Allowances scheme and this has informed this proposal. The carers were presented with the 3 options described above and indicated that option 2 would be likely to incentivise the creation of additional placements. Subsequently, Supervising Social Workers have liaised directly with their carers to gain an indication of the number of carers that would want to be considered for additional placements. This exercise has also indicated that the change to fees and allowances would result in increased capacity.
- 4.2 Foster carers were very clear that their motivation to foster was not solely based on finance. However, they felt that the skills payment for additional placements was 'fair' and may provide more of an incentive to take additional placements where possible and to attract new foster carers to Rotherham.
- 4.3 Consultation has also taken place with other Local Authorities within the Yorkshire region. This evidences that the Council would be in a competitive position in terms of its offer to carers if the professional skill level fee for more than one child placed were payable. Leeds, as an outstanding Local Authority and a market leader, have adopted a similar payment model for their carers and this has increased their average placements.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Subject to Cabinet approval, the revised payment structure will be introduced from 1 August 2019.

6. Financial and Procurement Advice and Implications

- 6.1 The Budget approved by Council in February 2019 stated that *“To build capacity in Rotherham to better meet the needs of looked after children, our strategy will incorporate a reviewed approach to foster carer recruitment”*. The assumptions underpinning the budget require an increase in foster placements, involving the recruitment of more foster carers as well as an increase in the average number of children that a foster carer cares for. The proposals in this report are a significant part of delivering this.
- 6.2 Based on learning from the more successful recruiters and consultation carried out with foster carers, the proposals are to maintain the maintenance payment at slightly above the national recommended level and introduce a skills payment for subsequent children along with other minor changes. Based on the current number of children placed with existing in-house foster carers, the revision to the allowances will incur additional payments of £321k per year (£136k in 2019/20) and will increase the average cost of an in house placement from £16k to £18k.
- 6.3 However, as the current average cost of an IFA placement is £44k there will be a cost reduction of £26k for each child that is placed in an in-house placement at the proposed scheme rates rather than an IFA. The revisions will incentivise foster carers to take more than one child and are expected to deliver an increase in in house foster placements of 36 per annum generating overall net financial savings in excess of £600k and potentially significantly more than this.
- 6.4 If Option 3 were agreed, the total cost of the allowances would be similar to Option 2 but would mean a reduction in the weekly payment to 35 in-house foster carers who only have one child in placement which may prove to be a disincentive to some carers and impact negatively on the projected savings. It would be unlikely that the required increase in placements would be achievable.
- 6.5 Whilst there are no direct procurement implications arising from the recommendation of the implementation and changes to Foster Carer Fees and allowances, Corporate Procurement are currently working with Children and Young People’s Services Strategic Commissioning team to plan the Procurement for Independent Foster Agencies. Therefore the outcome of these changes may inform the requirements of this procurement activity. Children and Young People’s Services Strategic Commissioning will be required to work closely with the Procurement team to identify the possible routes to market capable of delivering the Council’s objectives, whilst ensuring this is compliant with the Council’s own Contract Procedure Rules and Public Contracts Regulations 2015.

7. Legal Advice and Implications

- 7.1 The current proposals demonstrate that Rotherham Metropolitan Borough Council has implemented a fair approach in that it has considered amounts paid by neighbouring local authorities, whilst also taking into account the recommended national minimum payments for allowances, to devise proposals which will assist in improving services and carrying out its statutory duties towards its looked after children.

8. Human Resources Advice and Implications

- 8.1 No HR implications were identified from the report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 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.

10. Equalities and Human Rights Advice and Implications

- 10.1 The proposed changes to fees and allowances have been developed following consultation with foster carers (at the Foster Carer Forum). The overall assessed impact is concluded to be a positive one in terms of enhanced skill level fees (for additional placements) along with good support and training. Foster carers felt that the changes were positive in terms of future recruitment and retention of foster carers.

11. Implications for Partners

- 11.1 The proposals contained in this report do bring additional financial pressures which may impact on the overall council budget. However, as they are intended to increase numbers of lower cost in-house placements, this is intended to be on an 'invest to save' basis and ultimately to be of benefit to the financial position of the council.

12. Risks and Mitigation

- 12.1 Any potential risks are mitigated by the overall change in our approach to foster recruitment and the recruitment resource identified within this report from the external communications and business development agency. This includes the revised Marketing/Recruitment strategy to specifically attract foster carers with the capacity to care for adolescents and children with more complex needs. The revised fees and allowances will form part of a number of new initiatives that we are implementing to attract and retain more in-house foster carers therefore resulting in a reduction of Independent Fostering Agency placements (IFA's). This will place us in a stronger and more competitive position as a Local Authority Fostering Service.

12.2 The revised changes will offer an inducement to potential foster carers to offer their services to Rotherham Council and it is hoped will lead to current carers considering additional placements/ placements of sibling groups. We currently have 59 foster carers with only one child in placement so potentially these carers may consider an additional placement with the implementation of this new payment scheme. Some of these carers may well not have suitable space/ accommodation, however with the Pathway to Care scheme they may be in a position to consider this.

13. Accountable Officer(s)

Jon Stonehouse, Strategic Director of Children and Young People's Services
 Ian Walker, Head of Service

Approvals obtained on behalf of:-

	Named Officer	Date
Chief Executive	Sharon Kemp	24/06/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	24/06/19
Assistant Director of Legal Services (Monitoring Officer)	Bal Nahal	20/06/19
Assistant Director of Human Resources (if appropriate)	Amy Leech	26/03/19
Head of Procurement (if appropriate)	Lorna Byne	21/06/19

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