

Summary Sheet

Report Title

Revised Foster Carer Fees and Allowances

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

Yes

Strategic Director Approving Submission of the Report

Jon Stonehouse

Report Author(s)

Catherine Boaler (Service Manager- Fostering & Adoption)

Ward(s) Affected

All

Summary

- 1.1 The vision within 'Child Friendly Rotherham' is reflected in the ambition to be 'Working with Rotherham's children, young people and families to be safe, resilient and successful'. In the spirit of this ambition Rotherham CYPS has revised its 'offer' for Foster Carers in regards to the fees and allowances that they receive.
- 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 Independent Fostering Agencies (IFA's) and residential care and despite all of the work-streams being implemented the in-house/IFA split has consistently and stubbornly remained in favour of the IFA provision. As at the start of May 2019 there were 170 LAC placed with the 158 in-house carers and 266 LAC placed with IFA carers. Whilst there is no regional or national benchmarking available, anecdotal evidence and liaison with colleagues from the other South Yorkshire Children's Services would indicate that Rotherham relies more heavily on the IFA market than its regional neighbours.

Recommendations

Whilst foster carers would state that finances are not their prime 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:-

- Research undertaken in February 2019 evidenced that at that time there was an average of only 1.26 placements per carer. Whilst this position has subsequently improved as a result of performance management processes this still indicates that there is insufficient incentive in 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 risk of being placed within an IFA.
- Whilst allowances paid by RMBC can never match those paid by the IFAs they do need to be at a level so that, when they are incorporated with the less tangible benefits such as high quality training, good levels of supervisory social worker support and local therapeutic interventions, there can be seen to be some level of parity.

It is therefore recommended that the Directorate Leadership Team approves 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
- The weekly allowance, to cover the expense involved in caring for a child to remain the same (Slightly above national minimum average recommended)
- Changes to payments to Foster Carers for Birthdays, Christmas/ Cultural Celebrations and Holiday Pay for the child in placement.

List of Appendices Included

Appendix: In House Fostering Rates - Benchmarking Exercise

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

1. Recommendations

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2. Background

- 2.1 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. 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 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.

- 2.3 Rotherham Metropolitan Borough Council currently has 642 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 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 (IFAs) 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 with the average cost of an IFA amounting to c £750 per week as opposed to an in-house placement costing c £300 per week (dependent on the additional needs of a particular looked after child). Performance data would also evidence that in-house placements are also 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.
- 2.5 Whilst Rotherham is not in direct competition with other local authorities for its foster carers who, if they are not fostering for an IFA, tend to opt to foster within their home area, some benchmarking within the Yorkshire region has been attempted. Given the range of differing allowance schemes in operation this has been difficult but some of the learning from the more successful recruiters has been incorporated in to this proposal such as Leeds incentivising carers to take additional placements (cf Appendix).

3. Key Issues

- 3.1 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. The launch of the revised allowance scheme is planned to coincide with a re-launch of the revised Pathways to Care Policy in order to encourage more foster carers to consider what they need to enable them to offer more 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.
- 3.3 The consultation with Foster Carers at the Foster Carer Forum considered the elements of the current fees and allowances as follows:
 - An additional skill level fee to 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.

3.4 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.

3.5 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.

3.6 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.

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 overall placement costs would continue to remain high.

4.2 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. This will require 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.

4.3 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.

Option 3 Proposal: Revised Fees and Allowance 2019/2020

The skills payments will remain unchanged as in option 2

The basic maintenance allowance will be realigned to be more comparable with other local authorities and the national fostering rates

Child Age	Current Rates	National Fostering Rates	Proposed Rates
0-4	£133.54	£132.00	£133.54
5-10	£152.12	£146.00	£152.12
11-15	£189.37	£167.00	£173.30
16+	£230.30	£194.00	£200.30

Birthdays, Christmas and Holiday allowances 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	£173.30	£173.30	£346.60
16 plus	£200.30	£200.30	£400.60

(Birthdays & Christmas/ Cultural celebrations= 1 weeks allowance)

(Holiday Pay= 2 weeks allowance)

RMBC-Current Fees and Allowances

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

Child Age

Amount

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

Birthdays, Christmas and Holiday allowances 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 plus	£ 206.25	£309.39	£412.51

Recommended National minimum weekly allowance (2019-2020)

Child Age	Amount
0-4	£132.00
5-10	£146.00
11-15	£167.00
16+	£194.00

5. Consultation

- 5.1 This report has been written in consultation with the Finance Department.
- 5.2 A consultation with Foster Carers (at the Foster Carer Forum) regarding the rationale and options for a revised Fees and Allowances was undertaken and has informed this proposal.
- 5.3 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 felt 'fair' and may provide more of an incentive to take additional placements where possible and to attract new foster carers to Rotherham.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Subject to DLT approval, the revised payment structure will be introduced from April 2019 and will therefore involve some degree of backdated calculations.

7. Financial and Procurement Implications

- 7.1 **Option 2** - The cost of implementing the proposed fostering allowances based on the current number of children with existing in-house foster carers would be an additional £321k per year. Based on the proposed allowance scheme the average cost of an in-house placement would be £18k, an increase of £2k per annum, per child compared to the current scheme. The current average cost of an IFA placement is £44k, meaning there would be a cost reduction of £26k should a child be placed in an in-house placement at the proposed scheme rates rather than an IFA.

To breakeven with this proposal an additional 12.3 children will be required to transfer from IFA to in-house foster carers, and therefore increasing the net increase of in-house placements from 23 (15 + 8 carer adaptations) to 36 in the 2019/20 financial year.

On the basis that 36 additional in-house foster carer placements are generated a cost saving of £936k will be achieved through avoiding IFA placements.

An associated financial implication of the revised fostering allowance is the requirement to increase the maintenance allowance used to determine the payments made to SGO, CAO and adoption allowances, which has not previously been included in the pocket money and clothing allowance. The financial impact is estimated at £582K per annum based on current numbers.

- 7.4 **Option 3** – The cost implications of option 3 will be the same as option 2 offset by savings to the basic maintenance allowance. The net cost to the fostering allowance of implementing option 3 would be £244K, and a cost reduction of £77K on option 2. Option 3 will mean a reduction in the weekly payment to 35 in-house foster carers who only have one child in placement. The average impact would be £20 per week per carer.

By reducing the basic maintenance allowance for the two higher age groups to nearer the national fostering allowances as outlined in 4.3 will also reduce the financial impact in aligning the maintenance allowances for SGO, CAO and adoption allowances to a net cost of £319K per annum. Reducing the 16+ age group would result in a payment reduction of £5.95 per week for 63 children in receipt of allowances. Consideration should be given to protecting the current 16+ cohort for a 2 year period.

The cost avoidance resulting from option 3 would be £77k against the recommended fostering allowances and £263k from SGO, CAO and adoption allowances a total of £340k per annum.

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 neighbouring local authorities; whilst also taking into account the recommended national minimum payments for allowances to devise proposals which will assist it in improving services and carrying out its statutory duties towards its looked after children.

9. Human Resources Implications

- 9.1 None predicted.

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 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.

12. Implications for Partners and Other Directorates

12.1 None noted.

13. Risks and Mitigation

13.1 There is a risk that Foster Carers may receive an increase in payments for additional placements without increasing the number of children being cared for although this is felt to be very unlikely. 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 the revised marketing/ Recruitment strategy to specifically attract Foster Carers with the capacity to care for adolescents and children with more complex needs.

13.2 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.

14. Accountable Officer(s)

Ian Walker – Head of Service
Catherine Boaler – Service Manager

Approvals Obtained from:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Neil Hardwick	26.03.19
Assistant Director of Legal Services	Rebecca Pyle	26.03.19
Head of Human Resources (if appropriate)	Amy Leech	26.03.19

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