

Public Report with Exempt Appendices
Cabinet

Committee Name and Date of Committee Meeting

Cabinet – 17 October 2022

Report Title

Fostering Fees and Allowances 2022

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

Yes

Strategic Director Approving Submission of the Report

Suzanne Joyner, Strategic Director of Children and Young People's Services

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Ward(s) Affected

Borough-Wide

Report Summary

This report seeks to improve the care experience for children in Rotherham by ensuring that wherever possible they are looked after in a foster family environment. This means children can be cared for and stay connected, closer to their families, schools, communities, and services that know them best. In the spirit of this ambition, to retain existing Foster Carers and recruit new ones, the Council's Children and Young People's Services (CYPS) is seeking approval to revise and increase its 'offer' for Foster Carers regarding the fees and allowances that they receive.

In December 2021 Rotherham Metropolitan Borough Council (RMBC) agreed a target of 145 children to be living in fostering families by March 2022. As of June 2022, RMBC have 120 fostering families caring for 123 children. Between April 2021 and March 2022, 11 fostering families were recruited against a target of 24. In this period 34 fostering families ceased fostering for RMBC. Across England, the average loss in a year is 13% and these losses are anticipated nationally due to changes in circumstance, retirement, and achieving permanence for children. In Rotherham this would equate to 26, highlighting that the numbers of carers resigning or being deregistered is higher at 34. In Rotherham the majority of foster carers left due to changes in circumstance (age/retirement, changes in family, health, or achieving permanence / staying put for children). However, 6 of the fostering households who left RMBC in 2021 - 2022 highlighted that financial remuneration was not

commensurate to the role, with 3 leaving to go to an Independent Fostering Agency (IFA) and a further 3 leaving the profession.

The continued pull from IFA's coupled with the current rises in cost of living means that foster carers are attracted to the enhanced fees paid by IFA's, especially if they are willing to support teenagers, step down from residential placements or larger sibling groups.

In order to make RMBC more competitive in the foster carer market, and encourage foster carers to join, stay and offer more children a family home, benchmarking activity has been completed. RMBC's Digital Marketing is provided by an independent marketing agency who regularly analyse the market. This benchmarking activity, described in full in Appendix 1 and Appendix 2, highlighted that when compared to an IFA or other Local Authorities the RMBC offer is less competitive in relation to payments linked to mileage, third and subsequent placements and enhanced fees when supporting complex young people.

The service recognises that fostering could open a change in their career for professionals such as teachers and other public services. To achieve the aspirations to have more carers with this skill set, the council need to ensure the offer is commensurate to their salary, especially when they are able to offer homes to sibling groups, teenagers or young people stepping down from residential care.

The proposals set out in this report identify how the Council's financial 'offer' for foster carers can be improved, which is key to retaining existing foster carers and increasing the numbers the Council has, to support older children or larger sibling groups. The plan to achieve this ensures an attractive financial package that benchmarks positively in the region.

Recommendations

That approval be given to make the following changes to improve the financial offer for Foster Carers to support retention and recruitment of Foster Carers:

1. To change the service model to provide a financial package for foster carers based on the needs of the child/ young person as well as the skills of the foster carer
2. To make the following changes to the fees and allowances that foster carers receive:
 - a) 100% of skills payment to be paid for all children placed
 - b) Increase to foster carer mileage rate from 40p per mile to align to employee rates, currently 45 pence per mile
 - c) Agreement to the revised Day Care payment
 - d) Uplift of the skills payments aligned to the annual inflationary uplift in the national fostering maintenance allowance
 - e) Agreement to the complex care payment allowance e.g., for Step down to Foster Care and Emergency Foster Care for Teenagers in crisis

- f) Agreement to the Enhanced payment allowance e.g., Children with complex behaviour and/ or health needs

List of Appendices Included

Exempt Appendix 1 - RMBC Benchmarking Fostering Fees, Allowances and Offer

Appendix 2 - Digital Recruitment Market Analysis

Appendix 3 – Current Fostering allowances

Appendix 4 – Proposed Fostering allowances

Appendix 5 – Analysis of Foster Carer Allowances

Appendix 6 – Transfer Protocol for foster carers

Appendix 7 – Equality Impact Assessment checklist

Appendix 8 – CO2 Assessment

Background Papers

Cabinet Paper Revised Foster Carer Fees and Allowances June 2019

LAC Sufficiency Strategy 2019 -2022

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Council Approval Required

No

Exempt from the Press and Public

Yes or No? If yes, use text below.

Yes - Appendix 1 is exempt. In accordance with the Local Government Act 1972 Schedule 12A para1 this information is exempt as it relates to commercially sensitive information.

Fostering Fees and Allowances 2022

1. Background

- 1.1 One of the key priorities for Rotherham Council, and a key ambition as corporate parents, is to recruit, retain and grow the best inhouse foster carers locally. This links to the Council Plan theme: Every child able to fulfil their potential.
- 1.2 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 achieved within a family home setting. Additionally, this 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 their education and the maintenance of key relationships with the people and community who are important to them, thus promoting a strong sense of self, and connectivity, fundamental to ensuring they are resilient, successful, and safe.
- 1.3 As of the 31.5.22 Rotherham Council had 542 children in care. 79% of Rotherham's LAC population are in family-based settings, however more children are placed with foster families via an Independent Fostering Agency (IFA) than with in-house foster carers. Rotherham has a shortage of all foster placements but particularly of placements for children requiring enhanced care, adolescents and for larger siblings' groups. There are too many children and young people placed out of borough or in residential placements because there are not enough local placements.
- 1.4 A review was undertaken in May 2022 including regional benchmarking exercise which has taken place led by the Joint Assistant Director Commissioning, Performance and Quality. This included consultation with other Local Authorities within the Yorkshire region. The exercise and subsequent proposals highlighted options to enhance the current foster care offer. The current foster carer financial offer is included in Appendix 3, where an IFA carer transfers to RMBC the offer is described in Appendix 6.

2. Key Issues

- 2.1 The current financial offer for foster carers is made up of a foster carer skills payment (based on the skill level of the foster carer regardless to the needs of the child), a child age related allowance, a flat day care rate and mileage rate, all of which is demonstrated in Appendix 3.
- 2.2 Benchmarking activity, described in full in Appendix 1 and Appendix 2, highlighted when compared to an IFA or other Local Authorities the RMBC offer is less competitive in relation to payments linked to mileage, third and subsequent placements and enhanced fees when supporting complex young people.
- 2.3 **Foster carer skills payment**

Currently the RMBC skills payment is paid at 100% for the first and second placement then at 50% for 3rd and subsequent payments. Benchmarking identified a range between £50 and £102.10 for skill level 1 and 2, between £86.71 and £277.76 for skill level 3 and between £112.21 and £468.48 for skills level 4. The feedback from foster carers identified 3 existing fostering families who would consider extending their approval if the full skills payment was offered for a third child. Appendix 5 details analysis of foster carer allowances explains how the skills payments are allocated and includes regional benchmarking associated with skills payments and feedback from foster carers.

The proposed uplift position is to pay 100% of the skills payment for the 3rd plus child. This would be £100.00 at level 1, £125.00 at level 2, £175.00 at level 3 and £360.00 at level 4.

Currently 8 children are placed as a 3rd or 4th in-house fostering placement. Implementing this proposal would increase the cost of these placements by circa £87.50 per week per child. For the 8 children this equates to £36.4k per annum.

3 additional carers have been identified to date, who would be willing to take an additional child subject to the new payment offer. Against a standard IFA placement this would save £81k per annum for 3 placements.

2.4 Foster carer mileage

The current foster carer mileage rate is 40p per mile. Appendix 2 references mileage within the benchmarking exercise. Rotherham Council Employees received an increase in the mileage rate in April 21 to the HMRC tax free rate of 45p.

It is proposed an increase in the foster carers' mileage to align to employee rates, currently 45 pence per mile, this will bring Rotherham Council more in line with other Councils and agencies.

2.5 Day Care

The current day care rate paid across the board regardless of the age or need of the child/young person is £3.50 per hour.

Foster carer day care is often used to support placements and carers where there are emergencies, to support in house placement of large sibling groups and for when children have been excluded from school. Whilst several of RMBC's carers often support each other as part of the wider fostering community, there are times where day care support as a more formal offer to support a child at risk of placement breakdown.

Feedback from foster carers is that the current hourly day care rate is not comparable to other payments made to domiciliary /childcare settings which provide care to children. For this reason, they are reluctant to offer to support,

this is especially the case for older children. The proposal is to increase this payment to strengthen the formal support available.

Appendix 5, analysis of foster carer allowances concludes the RMBC rate is not competitive. Neighbouring Authorities and IFAs pay a day care rate based on the age of the child and skill level of the carer. The day rate is calculated by dividing the weekly basic rate and Skills rate by 7.

It is proposed RMBC implement the same payment rate.

Age 0-4	Level 1 - £32.32
Age 5 -10	Level 2 - £37.56
Age 11-15	Level 3 - £49.00
Age 16+	Level 4 - £80.91

A formal day care offer would be used to prevent placement breakdowns as part of a wider package of support.

2.6 Complex care payment

RMBC does not currently offer an increased payment to foster carers caring for children with more complex needs e.g., children who have previously been in residential care, teenagers in crisis requiring emergency care.

Appendix 5, analysis of foster carer allowances concludes some children who no longer need residential care are unable to 'step down' to foster care due to limited availability of foster carers. In addition, if an unplanned/emergency occurs which results in a teenager being unable to stay with their parents/carers, if no alternative can be found, they may have to be cared for in an unregistered emergency placement or may progress straight to residential care. This means teenagers requiring step-down and unplanned/ emergency care are not cared for in a family placement.

The use of unregulated placements are decisions that are made where there is clear evidence that the immediate risk to the child outweighs the risks of placing a child in an unregistered placement, this is always a last resort and is robustly supervised and overseen by a Social Work Service Manager.

A pilot step down to foster care offer has already delivered one successful step down and a second placement due to progress in September 2022.

The proposed payment package would involve a skills level 4 payment of £360 per week, a complex payment of £200 per week, and the child's age-related weekly allowance, giving a total cost of £790 per week. In comparison an emergency placement cost is on average £8,400 per week, and an external residential placement is on average £5,200 per week.

The fostering team aim to recruit one household to provide unplanned emergency care to teenagers in crisis in the 3rd and 4th period of current financial year and a further household in 2023/2024.

The service aim to grow an estimated 12 placements linked to step down over the next 12 months. These would be a mix of new carers and current carers who already foster for RMBC, as this offers a progression for carers beyond the current skills level 4.

This proposal may attract in house foster carers to offer teenage placements and increase the number of children placed inhouse, avoiding the costly use of an IFA at £59,000 per annum, or an external residential placement at £271,000 per annum, an inhouse step down package at a cost is £39,000 per annum. This would be a targeted area of focus to identify in-house or recruit new foster carers to consider this and is currently a gap in provision.

2.7 Enhanced payment

RMBC does not currently offer an increased payment to foster carers caring for children with more complex needs e.g. children with complex behaviour or health needs.

Appendix 5 concludes an over-reliance on IFA carers for children with disabilities or complex health needs, teenagers on the edge of residential care, children who are assessed at high risk of Child Exploitation, children who potentially pose a risk of sexually harmful behaviour/sexualised behaviour or children with history of violent behaviour towards adults/carers.

The proposed payment package would involve a skills level 4 payment of £360 per week, a complex payment of £100 per week, and the child's age-related weekly allowance, giving a maximum total cost of £690 per week. In comparison an IFA placement is £1150.

The offer for foster carers would contribute to the aim within the 2022/23 fostering budget profile to reduce IFA placements. This is an ambitious target however the benefits for the child and the budget savings it will create both a positive impact.

3. Options considered and recommended proposal

3.1 Option 1: (Recommended Option) That approval be given to the following changes to the Offer for Foster Carers to support retention and recruitment of Foster Carers to ensure more children are looked after in a family environment, including those with enhanced needs, adolescents and for larger sibling groups.

1. Approval is requested to change the service model to provide a financial package for foster carers based on the needs of the child/ young person as well as the skills of the foster carer.
2. Approval is requested to make the following changes to the fees and allowances that foster carers receive:
 - a. 100% of skills payment to be paid for all children placed.

- b. Increase to foster carer mileage rate from 40p per mile to align to employee rates, currently 45 pence per mile.
- c. Agreement to the revised Day Care payment.
- d. Uplift of the skills payments aligned to the annual inflationary uplift in the national fostering maintenance allowance.
- e. Agreement to the complex care payment allowance e.g., for Step down to Foster Care and Emergency Foster Care for Teenagers in crisis.
- f. Agreement to the Enhanced payment allowance e.g., Children with complex behaviour and/ or health needs.

It is anticipated that implementing the above changes would support the retention and increase the placement capacity of current foster carers, in particular supporting RMBC to grow carers who are willing to care for the borough's most complex young people. In addition, the improved remuneration and fostering offer will attract and incentivise new foster carers to join the Council.

The complex needs and enhanced needs payments would support and encourage new or existing foster carers to provide care for a broader spectrum of children with more complex need. Rationale for the changes to the fees and allowances requested for each offer is included in section 2.

Financial implications for the changes to the fees and allowances requested for each offer is detailed in section 6.

3.2 Option 2: Retain the existing Foster Carer Fees and Allowances.

This would not incentivise new or existing foster carers to provide enhanced care and/ or increase the number of in-house foster carers available or help reduce the current reliance on independent fostering agencies and residential care.

3.3 Option 1 is the recommended option.

4. Consultation on proposal

4.1 In consultation and feedback with Foster Carers in their annual review, support meetings and exit interviews they told us about what made them stay with Rotherham; what the challenges were and how they saw the offer could be strengthened. The diversity of offer proposed in this report highlights that some foster cares want to offer more, but to do so they need to change their circumstances and while they are not solely motivated by finance, they are more likely to offer more, if the payments they receive more 'fairly' reflect the level of care they provide and their skillset and experience.

4.2 In addition, Supervising Social Workers, and the staff in the team around placements, have been consulted on what works. In relation to the Stepdown/

diversion from residential care offer the feedback has been positive. Being able to offer a more enhanced and complex package of finance to reflect a young person's changing needs via an inhouse foster carer has been piloted as a positive success and the aim is to continue to grow this option in house. Despite agreeing with an IFA that they would support stepdown to foster care placements, they have struggled to deliver on this offer, despite having the agreement and flexibility of the pay framework in place.

- 4.3 Overall liaison with the service and foster carers highlights that the proposed change to fees and allowances would result in increased capacity.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Subject to approval, the revised payment structure will be introduced from 1st of November 2022.

6. Financial and Procurement Advice and Implications

- 6.1 The Fostering budget is a key element of the CYPS budget plan over the next three financial years, with a revised plan and profile set in September 21 to grow the number of children with in-house foster carers and reduce the number of children with Independent Fostering Agencies (IFA). The estimated profile to be achieved by the end of 2022/23 is set out in the table below:

Placement Type	2022/23		Movement	Current No.	Revised Gap
	01/04/22	31/03/23			
In-house Fostering	129	145	16	111	34
IFA	230	209	-21	250	-41
Total	359	354		361	

Whilst the service was rebased in September 21 with a reduced targeted growth of foster carers the number of in-house carers and available placements have continue to reduce. The benchmarking activity, described in full in Appendix 1 and Appendix 2, highlighted that whilst in most areas the RMBC offer is competitive compared to other LA's, amendments to allowances are required in relation to payments linked to mileage, third and subsequent skills payments and enhanced fees when supporting complex young people.

The current budgeted annual unit cost of an in-house placement is £19.2k and £45.6k for an IFA, and it is therefore imperative that RMBC achieve the profile above, which is proposed to continue in future years.

The 2022/23 budget saving based on a phased reduction is £389k and the full year effect is £650k when using the planned 1 April 2022 placement numbers and moving to numbers planned at 31 March 2023 per the above table.

Placement Type	No's (Estimated 1/4/22)	Annual Cost (based on 1/4/22 estimated number)	22/23 Budget	22/23 Net Budget Savings	FYE Budget Savings
In-house Fostering	129	2,481,960	2,645,611	163,651	307,840
IFA	230	10,488,920	9,935,761	553,159	- 957,684
Total		12,970,880	12,581,372	389,508	- 649,844

It is imperative that the fees and allowances for in-house foster carers continue to be competitive to enable the growth in in-house foster care to be achieved over the next three years and associated reduction in IFA placements.

- 6.2 While the report identifies increases in payments and allowances the overall expectation is an invest to save model. **The initial cost of the proposals would be £45k linked to aligning existing carers to the revised fees and allowances policy.**

Further costs would only be incurred at the point of recruitment of an in-house carer to the specific placement type, though as outlined throughout the report, the additional cost to grow in house placements is much less than the cost of an IFA, which would reduce in number.

As part of the ongoing recruitment drive it is advised that the skills payments have an annual inflationary uplift from 2023/24 financial year, aligned to the percentage annual increases already in place for the national fostering maintenance allowances.

As set out in the proposals below costs would only be incurred at the point of recruitment of an in-house carer to the specific placement type. Funding of the proposals would be through the reduction of cost pressures on the IFA and emergency placements budgets and would further support delivery of the CYPS budget plan.

- 6.3 **Increase placement capacity by paying 100% for all children placed** – The budgeted cost of a standard IFA placement is £45.6k against a standard Rotherham Council offer of 19.2k per annum. This offer increases in house foster carer capacity and 3 carers have been identified to date subject to the new payment offer which against a standard IFA placement would save £81k per annum for 3 placements.

This offer would be extended to all current carers with 3+ children in place at an immediate cost of 36k.

- 6.4 **Increase foster care mileage in line with HMRC rates** –The increase proposed would be in line with Rotherham Council employees and HMRC rates and forms part of the Rotherham offer to carers the aim being to attract more in house carers and reduce the number of de-registrations per the 2022/23 budget plan. Cost impact is 9k per annum.

- 6.5 **Day care offer for foster carers** - day care is used for several reasons one of which is placement stability the aim being to keep a child in, in house foster care and not escalate to an IFA placement. For information the cost of placement breakdown from in house fostering to IFA care is circa £27k per annum per placement. No assumed cost reductions as this is about cost avoidance, preventing placement breakdown.

6.6 **Complex Care Payment**

Stepdown to Foster Care offer - Against an external IFA stepdown package of £73k per annum, the Rotherham Council offer at £39k would reduce costs by £34k per place per annum.

Emergency Foster Care for teenagers offer

Unregulated emergency support at a cost of £8,400 per week is one of the most expensive placements. Against the proposed in-house carer cost of up to £790 per week this would reduce cost pressures of £396k per annum against the emergency budget, where an emergency placement is avoided.

The aim of these carers is to provide short term support which would avoid the need for an emergency placement and enable the young person to transition back home.

- 6.7 **Enhanced Foster Care Payment** - to offer an enhanced financial package to Rotherham Council carers at £33k per annum against an enhanced IFA rate of £59k for 12 carers this would represent an annual net savings of £312k. (The service has estimated 12 placements being supported with an enhanced payment based on the levels of placement breakdowns linked to enhanced need and where a possible additional payment could have prevented this).

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 There are no specific HR implications identified in the report. However, benchmarking of neighbouring authorities has taken place to ensure that Rotherham Council remain competitive within the region.
- 8.2 The Mileage rate for employees was changed in April 2022 to reflect the HMRC current mileage rate, therefore by increasing to 45p would align to the HMRC and Rotherham Council policy.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 The proposal seeks to attract additional foster carers and placements and retain and grow current foster carers to increase the opportunity for all Rotherham children and young people to 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 In supporting and caring for children who cannot safely live at home with their parents, there are requirements under equalities and human rights legislation, embedded into Care Planning Legislation that children should be cared for within local communities who can support their religious and cultural identity (Human Rights Articles 7 & 8). The proposals in this report seek to further grow and develop local Rotherham in-house foster carers, to ensure that the Council can offer children placements in their home community, increasing their sense of cultural identity. An equalities impact assessment is included as Appendix 1 to this report.
- 10.2 The proposed changes to fees and allowances have been developed following consultation with foster carers (at the Foster Carer Forum) and benchmarked against regional Local Authorities and private fostering providers. The overall implication in terms of enhanced skill level fees and diversifying the offer is felt by current Rotherham Council foster carers to be support to future recruitment and retention of foster carers.

11. Implications for CO2 Emissions and Climate Change

- 11.1 Placements at distance equate to children, families and staff having to travel further to see family, be at school and to ensure the Council deliver its corporate parenting duties. Therefore, any increase in having children placed with local inhouse foster carers, supports a reduction in travel and associated emissions. A carbon impact assessment is included as appendix 2 to this report.

12. Implications for Partners

- 12.1. The proposals contained in this report aim to ensure more Rotherham looked after children can remain in local family-based placements. This may mean that initially there is additional demand on partners and their services, as needs have been met outside of the Rotherham area previously. However, the aim is for this to be steady growth incrementally implemented with partners, which ultimately supports more children to be placed within Rotherham, ensuring that the partners who know the children and their families support children within their communities and schools.

13. Risks and Mitigation

- 13.1 Any potential risks are mitigated by the developing approach to foster recruitment and the recruitment resource identified. The revised fees and allowances will support the drive to further attract, retain and develop Rotherham Council's in-house foster carers. This will then reduce the Council's dependency upon using Independent Fostering Agency placements (IFA's), placing the Council in a stronger and more competitive position as a Local Authority Fostering Service.

14. Accountable Officers

Monica Green, Assistant Director, Children's Social Care
Rebecca Wall, Head of Service CIC

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	29/09/22
Assistant Director, Legal Services (Monitoring Officer)	Phillip Horsfield	29/09/22

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