

Committee Name and Date

Children and Young People's DLT, 15 March 2023

Report Title

Increase in Government National Minimum fostering allowance rate and impact on to RMBC rates.

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

No

Assistant Director responsible for approving the report

Monica Green – Assistant Director Children's Social Care

Report Author(s)

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Ward(s) Affected

NA

Report Summary

The Government set a National Minimum Allowance (NMA) for weekly child maintenance fostering rates based on age bands, these rates are increased annually. The 2023/24 national increase has been set at 12.43%. In 2021/22 and 2022/23 the national increase was 1.76% & 2.31% respectively.

This report considers the available options in increasing Fostering, Special Guardianship Orders (SGO), Child Arrangement Orders (CAO), Adoption Allowance (AA), respite, day care, and Fostering Skills payments in line with the governments recommended minimum uplift.

Recommendations

1. That the skills payments and maintenance allowances are increased in line with the NMA rates per age band for 2023/24.
2. That Foster Carer Skills payments are increased in line with the NMA uplift of 12.43% in-line with the Cabinet's approval October 2022.

List of Appendices Included

Background Papers

Letter from Minister Coutinho MP (Minister for Children, Families and Wellbeing)
Cabinet Paper 'Fostering Fees and Allowances 2022' October 2022

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council approval required

No

Exempt from Press and Public?

NA

Options for increasing Allowance and Skills payments. Increase in Government National Minimum fostering allowance rate and impact on to RMBC rates.

1. Background

1.1 The National minimum fostering rates set by government are grouped into 5 age bandings. CYPS currently have 4 age groups having combined the 0-2 and 3-4 age range into a 0-4 band. RMBC weekly rates against the National minimum for 2023/24 are set out below.

National Minimum Allowance Rates						
Age Band	National Minimum Weekly Allowance	RMBC 22/23 Rates	National Minimum Weekly Allowance	Variance to RMBC 22/23 rates	Proposed RMBC Rates 23/24	% Increase
	2022/23	2022/23	2023/24		2023/24	
	£	£	£	£	£	%
0-2			154.00	13.00		
3-4	141.00		159.00	18.00		
0-4		141.00			159.00	12.77%
5-10	156.00	156.00	175.00	19.00	175.00	12.18%
11-15	177.00	189.37	199.00	9.63	199.00	5.09%
16+	207.00	230.30	233.00	2.70	233.00	1.17%

1.2 The NMA rate is used to calculate payments for in-house foster care and family & friends (Reg 24 & S38/6) allowance, Special Guardianship Orders (SGO), Child Arrangement Orders (CAO).

1.3 The weekly allowance is also used as the basis for annual allowances for holiday, birthday and cultural payments for the fostering service only.

1.4 The basic element of the payments excluding clothing and pocket money are used as the basis for Adoption Allowances (AA), respite and day care.

1.5 In October 2022, a recommendation was approved by Cabinet that from the 2023/24 financial year, an uplift of the skills payments aligned to the annual inflationary uplift in the NMA will be implemented.

2. Key Issues

2.1 In-house foster care and an increase in the number of foster placements is key to CYPS’s LAC sufficiency strategy. To achieve this, we need to be able to offer an allowance rate that is in line with government standards and that of our neighbouring authorities.

2.2 As such in line with the NMA and Cabinet approval allowances and skills payments need to be considered and increased accordingly.

2.3 For in-house foster care placements an increase in annual allowances (birthday, cultural, and holiday) in line with the uplifted NMA would need to be approved.

- 2.4 Adoption Allowances, day care and respite would also need to be increased in line with the annual uplift based on the basic pay element of the allowance.
- 2.5 In previous years any increase has only impacted on 0-4 and 5-10 age groups and the increase has been applied to the basic pay element of the allowance. Consideration now needs to be given to how the increase is applied to the 3 elements of the allowance (basic, clothing and pocket money). The proposed 2023/24 split is set out below based on an equal % uplift to all elements.

Age Band	Rates 2022/23				Proposed Rates 2023/24			
	Basic	Clothing Allowance	Pocket Money	Total	Basic	Clothing Allowance	Pocket Money	Total
0-4	129.31	9.75	1.94	141.00	145.80	11.00	2.20	159.00
5-10	141.86	9.75	4.39	156.00	159.10	10.95	4.95	175.00
11-15	168.08	12.65	8.64	189.37	176.60	13.30	9.10	199.00
16+	206.26	12.65	11.39	230.30	208.65	12.80	11.55	233.00

2.6 Please note any increase to child’s pocket money would need to replicated for all LAC children in receipt of this element of allowance.

2.7 There is a risk that Independent Fostering Agencies could request a 12.4% inflationary increase in line with the NMA uplift.

3. Options considered and recommended proposal

3.1 Option 1 – recommended option

- to increase allowances in line with the NMA for fostering (including family & friends), SGO and CAO
- AA, respite and day care rates to increase to the revised basic pay element
- Fostering Skills payments to be increased by the 12.43%
- That any changes are implements from 2nd April 2023 in line with the current weekly payment schedule.

3.2 Option 2 – not recommended –

- do not apply an uplift to allowances which could bring about legal challenge
- Against the Cabinet approval do not increase fostering skills payments

4. Consultation on proposal

4.1 Finance have consulted with key service leads in the CYPS Directorate, IT and business support on implementation through ContrOCC.

4.2 Carers will need to be notified of the change in foster allowance rates.

5. Timetable and Accountability for Implementing this Decision

5.1 Following DLT approval, the new rates will take effect from week commencing 2nd April 2023.

6. Financial and Procurement Advice and Implications

6.1 Financial Implications

6.2 CYPS 2023-24 allowance budget for in-house fostering, SGO, CAO and AA is £9.1m

6.3 The annual increase in allowance rates for SGO, CAO and AA would be circa £692k per annum. A full breakdown can be reviewed at Appendix A.

6.4 It should be noted that the total increase is less than it could have been as the weekly rate for the 2 age groups 11-15 and 16+ are above the current NMA. Had these 2 age bands been at NMA the total allowance increase would be £979k, an additional 298k.

6.5 Annual allowances are paid to fostered children and equate to 4 additional weekly payments per child, 1 week for birthdays, 1 for cultural holidays and 2 weeks for annual holidays. The cost relating to increasing the annual allowances would be approximately £9.3k per year for circa 158 children.

6.6 The annual increase in uplifting Fostering Skills payments by 12.43% is circa £180k per annum as set out in Appendix B.

6.7 **The overall cost for increases in allowances and skills payments for 2023/24 would be £881k.**

6.8 The cost of the increase would be requested through the corporate inflation process.

6.9 Weekly allowances are paid from Sunday to Saturday, as the 1st April falls on Saturday, we proposed that the increase takes effect from the 2nd April 2023 to save IT time in setting 2 processes.

6.10 The inflationary cost of IFA's is under review in line with the WhiteRose Framework agreed 23/24 rates and individual IFA provider request.

Procurement Implications

6.11 There are no direct procurement implications arising from the recommendations detailed in this report.

7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)

7.1 The government announced a national minimum allowance for foster carers in 2006. It was intended to be the benchmark for the minimum rate a foster carer should be able to expect. In 2011 the Government issued guidance for fostering services stating as a minimum standard it expects foster carers to be paid at least the minimum fostering rate. The Government has published new rates for the minimum each financial year since 2007-2008.

7.2 There are no direct legal implications from increasing fostering allowances in line with the Governments national minimum weekly rates. This will avoid any challenge from foster carers regarding allowance rates.

8. Human Resources Advice and Implications

8.1 There are no direct HR implications arising from the recommendations detailed in this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 All foster carers receive a weekly fostering allowance from their fostering service when they care for a child. This covers the cost of caring for a child although there can be additional costs paid in line with specific skills or expertise. Following the Independent Review of Children's Social Care, the new allowance in England is a 12.43% uplift to the national minimum allowance set by the Government. The new allowance levels are effective from 6th April 2023.

9.2 The National Minimum Standards (NMS) are applicable to the provision of fostering services together with the Fostering Services (England) Regulations 2011 and forms the basis of the framework that deals with the conduct of fostering services. The National Minimum Standard: STANDARD 28, - Payment to carers, is to ensure that foster carers are clear about payments due to them, that these are fair and paid in a timely manner. NMS 28.1 states "Each foster carer receives at least the national minimum allowance for the child, plus any necessary agreed expenses for the care including insurance, holidays, birthdays, school trips, religious festivals etc, which cover the full cost of caring for each child placed with her/him." This guidance allows a local authority fostering service a broad discretion for additional payments.

9.3 An important principle is that there is a partnership between all those involved in fostering children, ie the Government, other statutory bodies, fostering service providers, foster carers as well as Local Authorities. Such partnership is essential for the NMS to deliver the best outcomes for children. The legal framework has been considered in this paper and there are no legal implications given the increased fostering allowance supports the best outcomes for children in foster care. Such increase is in line with the new allowance, may avoid the perception of unfairness and/or be the subject of legal challenge brought by foster carers if such increase was not made.

10. Equalities and Human Rights Advice and Implications

10.1 There are no implications in relation to equalities and human rights.

11. Implications for Partners

11.1 There are no implications in relation to working with partners.

12. Risks and Mitigation

12.1 There is the risk of legal challenge from foster carers, SGO and CAO carers that we are not complying with the national fostering minimum rates.

12.2 There is the risk of losing foster carers to neighbouring authorities or independent agencies if our allowance rate is lower than their offer.

13. Accountable Officer(s)

Approvals obtained on behalf of:-

	Named Officer	Date
Assistant Director Children's Social Care	Monica Green	8 th March 2023
Head of Finance - CYPS	Neil Hardwick	8 th March 2023
Legal Services	Glenda Ashman	9 th March 2023
Human Resources Business Partner CYPS	Amy Leech	10 th March 2023
Head of Procurement	Karen Middleborough	13/03/23

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Appendix A

Fostering, SGO, AA increase per age band

Increase in National Fostering Allowance

Allowance	Band	RMBC	National Minimum	Variance	Child No:s	BAND 0-4 EFFECT	BAND 5-10 EFFECT	BAND 11-15 EFFECT	BAND 16+ EFFECT
		£	£	£	NO:	£	£	£	£
Fostering Allowance	0 to 4	£141.00	£159.00	£18.00	71	£66,635			
Fostering Allowance	5 to 10	£156.00	£175.00	£19.00	43		£42,598		
Fostering Allowance	11-15	£189.37	£199.00	£9.63	38			£19,080	
Fostering Allowance	16+	£230.30	£233.00	£2.70	18				£2,534
TOTAL No:s					170				
Special Guardianship	0 to 4	£141.00	£159.00	£18.00	117	£109,807			
Special Guardianship	5 to 10	£156.00	£175.00	£19.00	186		£184,263		
Special Guardianship	11-15	£189.37	£199.00	£9.63	148			£74,312	
Special Guardianship	16+	£230.30	£233.00	£2.70	46				£6,476
TOTAL No:s					497				
Child Arrangement	0 to 4	£141.00	£159.00	£18.00	28	£26,279			
Child Arrangement	5 to 10	£156.00	£175.00	£19.00	48		£47,552		
Child Arrangement	11-15	£189.37	£199.00	£9.63	77			£38,662	
Child Arrangement	16+	£230.30	£233.00	£2.70	7				£985
TOTAL No:s					160				
Adoption Allowance	0 to 4	£129.31	£145.81	£16.50	19	£16,349			
Adoption Allowance	5 to 10	£141.86	£159.14	£17.28	42		£37,838		
Adoption Allowance	11-15	£168.08	£176.63	£8.55	36			£16,040	
Adoption Allowance	16+	£206.26	£208.68	£2.42	17				£2,148
TOTAL No:s					114				
0 to 4					235	£219,069			
5 to 10					319		£312,251		
11-15					299			£148,094	
16+					88				£12,143
TOTAL					941				£691,557

* Adoption Allowances do not include pocket money and clothing allowance

Numbers are based on Actuals at February 2023 plus the profiled budget increases for 2023/24.

Appendix B Foster Carer Skills Payments

Carers Skill Level per week					
Level	22/23 Rates	Proposed 23/24 Rates	Proposed weekly increase	Foster Carers	TOTAL
	£	£	£	NO:	£
Level 1	100.00	113.00	13.00	26.00	17,623
Level 2	125.00	141.00	16.00	11.00	9,177
Level 3	175.00	197.00	22.00	92.00	105,531
Level 4	360.00	405.00	45.00	20.00	46,926
TOTAL				149.00	179,257

Numbers are based on Actuals at February 2023 plus the profiled budget increase for 2023/24.