

**Committee Name and Date of Committee Meeting**

Delegated Officer Decision – 26 March 2024

**Report Title**

Increase in Government National Minimum fostering allowance rate 2024-25

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

No

**Strategic Director Approving Submission of the Report**

Nicola Curley – Strategic Director Children & Young People Services

**Report Author(s)**

Joshua Amahwe – Head of Finance CYPS

**Ward(s) Affected**

Not Applicable

**Report Summary**

The Government sets a National Minimum Allowance (NMA) for weekly child maintenance fostering rates based on age bands, which are increased annually in line with inflation. The 2024/25 national increase has been set at 6.88% (the increase in 2023/24 was 12.43%).

This report considers the financial impact and options of increasing Fostering, Special Guardianship Orders (SGO), Child Arrangement Orders (CAO), Adoption Allowance (AA), respite, day care, and Fostering Skills payments in line with the government's recommended minimum uplift of 6.88%.

**Recommendations**

1. That the fostering maintenance allowances are increased on average by 6.88% in line with the NMA rates per age band for 2024/25.
2. That Foster Carer Skills payments are increased in line with the NMA uplift of 6.88% in-line with the Cabinet's approval in October 2022.

**List of Appendices Included**

Appendix A – Increase in NMA schedule

Appendix B – Foster carer skills payment

**Background Papers**

Letter from Minister David Johnston OBE 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 the Press and Public**

No

## Increase in Government National Minimum fostering allowance rate 2024-25

### 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 2024/25 are set out below

No: 23/24	Age Band	RMBC 23/24 Rates	National Minimum Rates 24/25	Increase to RMBC rates 24/25
		£	£	£
	0-2	-	165.00	-
71	3-4	-	170.00	-
43	0-4	159.00	170.00	11.00
38	5-10	175.00	187.00	12.00
18	11-15	199.00	213.00	14.00
170	16+	233.00	249.00	16.00

- 1.2 The NMA rate is used to calculate payments for in-house foster care, family & friends (Reg 24 & S38/6) allowance, Special Guardianship Orders (SGO), and Child Arrangement Orders (CAO).
- 1.3 The weekly allowance is also used as the basis for 4 annual allowances relating to 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 An increase in the number of in-house foster carers and 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. 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.
- 2.3 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.

2.4 The impact of the increase in the NMA rates to the 3 elements of the RMBC fostering allowance (i.e. basic, clothing and pocket money) is set out below:

Age Band	Rates 2023/24				Rates 2024/25			
	Basic	Clothing Allowance	Pocket Money	Total	Basic	Clothing Allowance	Pocket Money	Total
0-4	145.80	11.00	2.20	<b>159.00</b>	155.90	11.75	2.35	170.00
5-10	159.10	10.95	4.95	<b>175.00</b>	170.00	11.70	5.30	187.00
11-15	176.60	13.30	9.10	<b>199.00</b>	189.01	14.25	9.75	213.00
16+	208.65	12.80	11.55	<b>233.00</b>	223.00	13.65	12.35	249.00

2.5 Please note that any increase to pocket money would need to be replicated for all children in care in receipt of this element of allowance irrespective of placement type. The impact of the increase would be approx. £10k per annum in total for an additional 325 eligible children based on the current children in care cohort.

### 3. Options considered and recommendations

#### 3.1 **Option 1 – recommended option**

- to increase allowances in line with the NMA for fostering (including family & friends), SGO and CAO.
- Increase adoption allowance, respite, and day care rates to the revised basic pay element.
- Fostering Skills payments to be increased by the 6.88%.
- That any changes are implemented from or back dated to 1st April 2024

#### 3.2 **Option 2 – not recommended**

- do not apply an uplift to fostering allowances – with the increased risk of legal challenge.
- do not apply the 6.88% NMA uplift to the fostering skills payment – however this would go against the improved foster carer financial offer approved by Cabinet (In October 2022).

### 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 or be backdated to from week commencing 1st April 2023.

### 6. Financial and Procurement Advice and Implications

## 6.1 Financial Implications

- 6.2 CYPS 2024-25 budget for in-house fostering, Special guardianship orders, Child Arrangement Orders and Adoption Allowances is £11m. The inflation uplift cost on the Allowances budget, based on the 6.88% increase in the National Maintenance Allowance rates, is estimated to cost £660k. A full breakdown can be reviewed at Appendix A.
- 6.3 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 £9k per year for circa 185 children.
- 6.4 The annual increase in uplifting Fostering Skills payments by 6.88% is circa £109k per annum as set out in Appendix B.
- 6.5 The inflation uplift cost for allowances and skills payments for 2024/25 is estimated at **£778k**. Overall, this compares favourably to the inflation cost (£881k) agreed for 23/24, which was based on a 12.43% NMA uplift. The inflation cost in 23/24 was less than it could have been as the uplift was not applied to the 11-15 and 16+ age bands (as RMBC rates were already above the NMA rates).
- 6.6 It is proposed that the £778k funding requirement is addressed via the approved corporate process for Inflationary increases.
- 6.7 It should be noted that the NMA uplift do not directly apply to the independent fostering agency weekly fee rate, as these are reviewed and agreed via the White Rose framework and individual IFA provider request.

## Procurement Implications

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

## **7. Legal Advice and Implications**

- 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 6.88% uplift to the national minimum allowance set by the Government. The new allowance levels are effective from April 2024.

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, i.e. 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. Page 7 of 8

## **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: -

	<b>Named Officer</b>	<b>Date</b>
Assistant Director Children's Social Care	Monica Green	<a href="#">Click here to enter a date.</a>
Head of Finance - CYPS	Joshua Amahwe	<b>13/05/24</b>
Legal Services		<a href="#">Click here to enter a date.</a>
Human Resources Business Partner CYPS	Amy Leech	<a href="#">Click here to enter a date.</a>
Head of Procurement	Karen Middleborough	<a href="#">Click here to enter a date.</a>

## Appendix A Fostering Allowances

### Increase in National Fostering Allowance

Allowance	Band	RMBC	National	Increase	Child No:s	BAND 0-4	BAND 5-10	BAND 11-15 EFFECT		BAND 16+ EFFECT	
		23/24 rate	Minimum 24/25			EFFECT	EFFECT	Per Week	Annual	Per Week	Annual
		£	£	£	NO:	£	£	£	£	£	£
				Per Week		Annual	Annual				
Fostering Allowance	0 to 4	£159.00	£170.00	£11.00	80	£45,902					
Fostering Allowance	5 to 10	£175.00	£187.00	£12.00	38		£23,766				
Fostering Allowance	11-15	£199.00	£213.00	£14.00	36			£504.04	£26,281		
Fostering Allowance	16+	£233.00	£249.00	£16.00	31					£495.95	£25,859
TOTAL No:s					185						
Special Guardianship	0 to 4	£159.00	£170.00	£11.00	135	£77,428					
Special Guardianship	5 to 10	£175.00	£187.00	£12.00	205		£128,264				
Special Guardianship	11-15	£199.00	£213.00	£14.00	157			£2,198.00	£114,604		
Special Guardianship	16+	£233.00	£249.00	£16.00	51					£816.00	£42,546
TOTAL No:s					548						
Child Arrangement	0 to 4	£159.00	£170.00	£11.00	28	£16,059					
Child Arrangement	5 to 10	£175.00	£187.00	£12.00	48		£30,033				
Child Arrangement	11-15	£199.00	£213.00	£14.00	77			£1,078.00	£56,207		
Child Arrangement	16+	£233.00	£249.00	£16.00	11					£176.00	£9,177
TOTAL No:s					164						
Adoption Allowance	0 to 4	£145.80	£155.90	£10.10	11	£5,793					
Adoption Allowance	5 to 10	£159.10	£170.00	£10.90	36		£20,452				
Adoption Allowance	11-15	£176.60	£189.01	£12.41	38			£471.58	£24,588		
Adoption Allowance	16+	£208.65	£223.00	£14.35	17					£243.87	£12,715
TOTAL No:s					102						
0 to 4					254	£145,183					
5 to 10					327		£202,515				
11-15					308				£221,679		
16+					110						£90,297
<b>TOTAL</b>					<b>999</b>						<b>£659,675</b>

\* Adoption Allowances do not include pocket money and clothing allowance  
Numbers are based on Actuals at January 2024 plus the profiled budget increases for 2024/25.

## Appendix B Foster Carer Skills Payments

Carers Skill Level per week					
Level	23/24 Rates	Proposed 24/245 Rates	Proposed weekly increase	No of Foster Carers	TOTAL
	£	£	£	NO	£
Level 1	113.00	120.00	7.00	41.00	14,964.18
Level 2	141.00	150.00	9.00	22.00	10,323.72
Level 3	197.00	210.00	13.00	92.00	62,359.44
Level 4	405.00	432.00	27.00	5.00	7,038.90
Mockingbird	628.00	681.00	53.00	5.00	13,817.92
<b>TOTAL</b>				<b>165.00</b>	<b>108,504.16</b>