

# Children, Young People and Families Scrutiny Panel

## 28 September 2015

<b>Report title</b>	Proposed New Fostering Fees and Allowances	
<b>Cabinet member with lead responsibility</b>	Councillor Val Gibson Cabinet Member for Children and Young People	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Linda Sanders, People	
<b>Originating service</b>	Children and Young People	
<b>Accountable employee(s)</b>	Alison Hinds Tel Email	Head Of Service Looked After Children 01902 553035 alison.hinds@wolverhampton.gov.uk
<b>Report has been considered by</b>	People Leadership Team  SEB	20 July 2015  15 September 2015

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### Recommendation(s) for action or decision:

The Children and Young People's Scrutiny Panel is recommended to:

1. Review and comment on the proposed new fostering fee and allowance structure.
2. Review and comment on the Council wide incentives (as outlined in section 8 of this report), to be progressed via the Corporate Parenting Strategy group.

### Recommendations for noting:

#### The Panel is asked to note:

3. This item is being considered as pre-decision scrutiny and will therefore not be available to call-in once a decision is made by the Executive.

## **1.0 Purpose**

- 1.1 This report sets out a proposal to change the fees and allowances structures paid to approved Wolverhampton foster carers including Family and Friends (Connected persons) carers who care for Wolverhampton Looked After Children (LAC).
- 1.2 The proposal aims to ensure that the Council retains and recruits sufficient foster carers to meet the needs of the looked after children in the City and to compete more effectively with Independent Foster Care Agencies
- 1.3 The proposal also reduces our risk of judicial review in relation to the payment of family and friend (connected person) carers as the proposed fee structure takes into account previous court judgments and current regulations relating to Family and Friends carers. Wolverhampton family and friends foster carers have not historically attracted or received a fee for caring for LAC. This is because unlike other foster carers who are specifically recruited and assessed to care for any child, family and friends foster carers only care for specific children to whom they are related. However, recent regulations state there should be equity of provision and entitlement for all approved foster carers, irrespective to whether they are related or unrelated. 'Care Planning, Placement and Case Review Regulations' (2010).
- 1.4 The proposed new model supports a fee payment to all approved foster carers to support their skills, experience and expertise, rather than reward them for their time as a Wolverhampton foster carer.

## **2.0 Background.**

- 2.1 Local authorities are responsible for Looked After Children. Where a child is placed in foster care, the cost of caring for the child is paid to the foster carer in the form of a fostering allowance.
- 2.2 The requirement for local authorities to be responsible for this is underpinned in the following legislation:
  - Children Act 1989
  - Children Act 2008
  - Fostering Regulations 2011
  - Family & Friends Guidance 2011
  - Children Leaving Care Act 2000
  - Care Planning and Placement Review Regulations 2013
  - Fostering National Minimum Standards 2011

- 2.3 Wolverhampton has a high Looked After Children (LAC) population and as such over the past three years has seen the LAC budget being overspent. Over the past 18 months the Children and Young People service area has implemented a new model of delivery redesigning children's social care and integrating this service with early help services in order to provide a locality based model of help and support for children and their families to promote a smoother journey and reduce the need for repeat assessments.
- 2.4 In addition, the 'Families r First' programme has been introduced in order to support children to remain safely within their families, ensuring only the right children come into the looked after system and where they do, that permanency with a family is sought for them in a timely manner.
- 2.5 Whilst these two major changes have made improvements both in terms of the customer and stakeholder experience of support and in stabilising the LAC numbers within Wolverhampton, there is still a long way to go in terms of whole system transformation and as such the LAC numbers remain very high which in turn is continuing to impact significantly on the Council's financial challenges.
- 2.6 331 of Wolverhampton's LAC are cared for by external foster carers who are approved by Independent Fostering agencies (IFA's) as the number of internal carers has been unable to meet the demand in the rising numbers. As part of the transformation work phase two, it remains an important priority for Wolverhampton City Council to recruit local foster carers for local children, and the current foster care recruitment campaign delivers this message. There are many advantages to recruiting local foster carers;
- children can remain living locally enabling on going contact with their family
  - children will have the opportunity to remain at their current school
  - children maintain connections with their community and the local services to support their needs
  - internal foster carers incur a much lower unit cost than those procured externally from the IFA's.
- 2.7 It is anticipated that the fostering service will approve 25 foster carers between April 2015 and March 2016. The newly approved carers will add to the existing cohort of approved foster carers offering opportunities for LAC to be cared for within the internal provision. It is imperative that the number of foster carers is increased, not only to ensure that there is an internal provision, but also to ensure carers are of the appropriate calibre to meet the complex needs of many of our looked after children. Wolverhampton can be confident in the quality of foster carers and ensure that they receive good quality support and training.
- 2.8 Wolverhampton's current foster carer's recruitment and retention fee structure scheme was approved in April 2008. The scheme is based on a recruitment and retention model for approved carers (this excludes Family and Friends (connected person carers)).

Foster carers are paid a recruitment and retention fee which increases year on year up to nine years where they then stay on the maximum amount. This is paid to foster carers regardless of whether they have a child placed with them, although it does decrease based on how long they have a vacancy.

- 2.9 The existing recruitment and retention fee structure for mainstream foster carers is detailed in the table below:

Time as Foster Carer for Wolverhampton City Council	Weekly Payment to each foster care household £'s
0 – 2 years	170.57
2+	181.23
3+	191.89
4+	202.55
5+	213.21
6+	223.88
7+	234.53
8+	245.19
9+	255.85

- 2.10 In addition foster carers receive allowances for the specific children they care for. They only receive this allowance when a child is placed in their care. These allowances are paid to cover the full cost of caring for a child. The allowance includes payment for food, clothing, extra household costs, pocket money and savings. The allowance rates are currently in line with those as set out by the Fostering Network.
- 2.11 The table below details the child allowances currently paid to foster carers for looked after children:-

Age of child	Weekly Rate £'s
0 – 4	137.18
5 - 10	156.26
11 – 15	194.53
16+	236.64

- 2.12 Under the existing scheme Family and Friends (connected person) carers are approved as child specific foster carers and receive the child's allowance for the child but do not receive a recruitment and retention fee.
- 2.13 Family and Friends (connected persons ) foster carers are required to comply with regulations the same as any other carer, and "will be entitled to the same support and services, including any fees and allowances payable/available within the relevant fostering provider/local authority scheme to unrelated local authority foster carers".  
Reference: Family and Friends Care: Statutory Guidance for Local Authorities, 2010

2.14 This review has taken into account the risk to our current policy around the payment of Family & Friends (connected person) carers, being open to challenge/judicial review as regulations state there should be equity of provision and entitlement. "It is not acceptable to discriminate against foster carers on the basis that they have a pre-existing connection with the child they are fostering"

Reference: Care Planning, Placement and Case Review Regulations, 2010

### 3.0 Proposed new fee structure

3.1 A new model of fee payment to foster carers is proposed, moving from a scheme that rewards retention of foster carers, to one that supports the skills, experience and expertise of foster carers to meet the needs of our looked after children.

3.2 The advantage of moving to this scheme will be:

- Foster carers will receive a fee based upon and recognising their experience and expertise
- Foster carers will receive extra reward if they take more than one child
- Foster carers will be expected to care for children in a wider age range
- Foster carers will be approved to care for children on a temporary and permanent basis, but will also provide emergency and shared care placements
- The revised reward scheme will provide greater placement choice and reduce Wolverhampton's reliance on external provision

3.3 The table below outlines the new fee structure and includes the requirements in terms of training and assessment for each level and the fee per child in placement up to three or more children.

Level	Training (basic)	Assessment	Fee (1 child) £'s	Fee (2 children) £'s	Fee (3+ children) £'s
One (Basic)	Skills to Foster  Completion of training, support and development standards  Attendance at support groups	Form C assessment as specified under the fostering regulations	85	102	119

Two (Generic)	Completed Level 1  Skills to Foster  Personal Development Plan outcomes focused	Form F assessment as specified under the fostering regulations	255	306	357
Three (Advanced)	Completed all of Level 1 & 2  Diploma in Child Care Studies/Fostering Or working towards equivalent	Form F assessment as specified under the fostering regulations	331.50	397.70	463.40
Four (Specialist)	Completed all of Levels 1, 2 & 3.	Form F assessment as specified under the fostering regulations	600	N/A	N/A

3.4 The descriptions of each level are as follows:

**Level One - Basic**– Foster Carers are assessed and approved for a named child or young person in line with the child’s permanence plan to care for the child and be supported to move onto a Special Guardianship Order (This is an order made by the court appointing a person or persons to be able to make decisions for the child), or its equivalent arrangement within 12 months from the point of approval. Level one Foster Carers can move to level two where further training and assessment is undertaken to equip them to care for non-specified Looked After Children in the 0-18 approval category. This will require a change of approval status, which will be heard at the Fostering Panel and approved by the Decision Maker.

**Level Two - Generic**– Foster Carers are assessed and approved under the 0-18 approval category in line with approval and training requirements outlined. 0-18 approved foster carers will be able to have the following placements:

- Temporary placements,
- Respite
- Permanent Placements (long term where linked and matched).

In addition level two carers will be expected to assist the Local Authority in duties such as recruitment, training and the buddying scheme.

**Level three - Advanced**– Foster carers are assessed and approved under the 0-18 approval category in line with the assessment, approval and training requirements outlined.

Level three foster carers will be expected to have at least three or more years fostering experience and be able to evidence a varied successful fostering placement history.

They will offer placements for more challenging children. In addition to the criteria for level two they will evidence significant childcare experience.

They will be able to take the following placements:

- Temporary placements,
- Emergency (including PACE),
- Respite
- Shared Care
- Short Breaks
- Mother and Child Placements
- Permanent Placements (long term where linked and matched).

**Level four – Specialist** – Specialist Carers incorporates levels one, two and three and includes the following:

- Significant formal childcare experience e.g. previous fostering.
- five years minimum fostering including children with complex needs /employment in childcare or related experience e.g. nursing, youth work, teaching.
- Ability to reflect upon professional experience and relate this to the fostering task.
- One carer within the household being available on a full time 24/7 basis.
- Must be able to provide specialist foster care in key areas; Assessment for challenging children and young people; Children having experienced significant disruption / placement breakdowns; placements linked to Youth Justice system (including Legal Aid, Sentencing and Punishment of Offenders); Emergency Placements for challenging behaviours (children and young people) Placements for young people with particularly challenging behaviours where residential placements may be the alternative.

This will be in line with the Specialist Foster Care Protocol.

- 3.5 Approved Foster Carers will be able to move up and down levels where appropriate. This will be based on the relevant level criteria, yearly foster home review evaluation and re-assessment (where required).

3.6 Research indicates that Independent Fostering Agencies (IFA) pay foster carers a fee per child, Wolverhampton currently only pay additional fees for 3 or more children. To bring Wolverhampton in line with the IFA's and enable a greater range of flexibility, it is proposed that the model will pay a slight uplift (20%) based on the number of children in placement. It is acknowledged that in some cases carers may only be able to accommodate one child due to the child's assessed needs.

Where this is the case, and the carer is approved for two or more children, the carer will continue to receive the relevant rate for the number of children that they are approved for.

3.7 Under the current scheme where a carer does not have a LAC in placement their recruitment and retention fee is reduced on a sliding scale. This is an extremely complex system to administer, but also acts as a disincentive for carers to take another placement immediately as they continue to receive a proportion of their fee for a number of weeks without having a child in placement.

3.8 The new proposal is that under the new scheme the fee will cease immediately when a foster carer does not have a child in placement and refuses the offer of a placement or has a planned placement ready to move in. This will have the potential to reduce the use of external provision and make full use of available in house placements.

3.9 The only exception to this will be where there is:

- Certified ill health (reward fee will continue for four weeks)
- The foster carers are subject to an allegation

### 3.10 **Planned Short Break Carers**

Carers providing planned short break care will be approved under level two. These carers will be paid the weekly fee pro-rotta if offering 90 plus days per year. In addition, to this a fee of £10 per day will be paid for the attendance at meetings etc outside of the placement schedule.

### 3.11 **Mother and child placements**

Mother and child placement payments will attract an additional 50% of the fostering fee and an additional 50% of the child's allowance. These additional payments are to support the carer in the assessment and supervision of the mother to care for the baby and maintain the placement as determined by the care plan. We would expect foster carers at level three to take mother and child placement.

### 3.12 **Holiday allowances**

Two weeks child's fostering allowance in respect of holidays or day trips shall be paid annually, at the Foster Carers request.



#### 4.0 Proposed changes to children's allowances:

4.1 Following consultation with the Children In Care Council (CICC), the new structure will also include changes to allowances paid in respect of the child. It is proposed to amend allowances and utilise the Department for Education recommended rates as opposed to the national Fostering Network work rates that are currently used.

Age of child	Weekly Rate £'s
0-4	126
5-10	139
11-15	159
16+	185

4.2 These allowances will be increased annually in line with the official Retail Price Index rate.

4.3 Following a bench marking exercise across the West Midlands region and consultation with the CICC, the new structure incorporates some changes with regard to pocket money, savings birthday and festival allowances. The CICC were in support of a reduction in pocket money and savings, as they felt that the allowances given to them were unrealistic to maintain when they moved into independence or returned home. They also highlighted that it created unfairness with siblings who may remain at home.

4.4 The table below shows the current payments, with pocket money, savings and clothing coming out of the child's weekly allowance and birthday and festival allowances being paid annually in addition to the allowance:

Age of child	Current saving per week £'s	Current pocket money per week £'s	Clothing per week £'s	Birthday (annually) £'s	Festivals (annually) £'s
0 – 4	11.00		21.77	137.18	137.18
5 – 10	16.00	5.54	24.34	156.26	156.26
11 – 15	21.00	9.23	29.67	194.53	194.53
16+	36.00	13.85	36.92	236.64	236.64

4.5 The table below illustrates the proposed new payments

Age	Pocket money (weekly) £'s	Long term savings (weekly) £'s	Birthday (annually) £'s	Festivals (annually) £'s
0-5	nil	5	100	100
6-10	4	6	110	110
11-15	7	8	150	150
16-17	10	13	180	180

4.6 The pocket money and savings will be paid from the children's allowances. Birthdays and festival payments will be paid as additional allowances. Clothing allowances will not be specified; instead this will be left to the discretion of the foster care, the child's social worker and the foster carers supervising social worker who will undertake an inventory each month to ensure there is appropriate and adequate clothing available to the child in placement.

4.7 For all looked after children born after the 3 January 2011 a Junior ISA is required to be opened. The trust funds are a long term investment for the child and cannot be released until the child is 18. A maximum of £1,200 can be paid into existing funds each year and foster carers can pay directly into the fund.

4.8 It is proposed to give foster carers flexibility to savings e.g. where a child requests something that could be of benefit for the future e.g. music lessons, once in a lifetime holiday etc. a separate savings account can be opened and savings split between the ISA/Savings account to facilitate this. Where a foster carer/child is going to use savings to purchase goods/services this must be agreed with the child's social worker.

4.9 The proposal to reduce the minimum required savings for Looked After Children will make a greater portion of the allowance available to the carers to meet the individual needs of the child.

## 5.0 Family and Friends (Connected Persons) Carers

5.1 The proposed fee structure takes into account previous court judgments and current regulations relating to Family and Friends carers. The new structure incorporates the requirements of the Care Planning and Case Review Regulations 2010, which states that, Family and Friends (Connected Person) carers approved under these regulations will be entitled to the same support and services, including any fees and allowances payable/available within the relevant fostering provider/local authority scheme to unrelated local authority foster carers.

5.2 The proposed scheme will pay all Family and friends (Connected persons) at Level One.

## **6.0 Training**

6.1 Currently carers are paid a delegate fee of £100 per day to each foster carer that attends training. This is paid annually for a maximum of eight days training within the first year following approval as a foster carer and six days training per year subsequently.

6.2 The proposal is to remove the additional fee and expect that all foster carers comply with the training requirements outlined in their personal development plan. This is to ensure they are complying with the requirements outlined in the statutory guidelines which expect training and support to be provided to enable foster carers to undertake their role.

## **7.0 Foster Carers subject to allegations**

7.1 Foster carers currently receive the recruitment and retention fee whilst any allegation is being investigated and until a decision is made.

7.2 It is proposed that in the event of carers being subject of an allegation that necessitates the removal of the child to allow for an investigation, the carers fostering fee will continue for 28 days to allow an investigation. However the child's allowance will cease immediately upon the removal of the child/ren.

## **8.0 Respite for carers**

8.1 Under the current scheme carers can receive up to seven days of respite annually. It is proposed that carers are only provided with this respite where there is a natural break between placements or in exceptional circumstances.

## **9.0 Council Wide incentives**

9.1 Following benchmarking work across other Local Authorities it is recommended that the following incentives to support recruitment of foster carers could also be explored by the Corporate Parenting Strategy group. :

- Reduction in Council Tax for Fostering Households within Wolverhampton
- Reduction in the cost of the use of Council leisure facilities

9.2 The findings and recommendations of the Corporate Parenting Strategy group will be reported to Emma Bennett, Service Director, Children and Young People.

## 10.0 Risks

10.1 The following risks have been identified:

Risk	Action to minimise impact
Existing foster carers not currently approved under the 0-18 approval category and not willing to change this to the 0 - 18 category may decide to leave Wolverhampton City Council's Fostering Service.	<ul style="list-style-type: none"><li>- As a good will gesture place all existing carers on Level two to retain them on the same payment they currently receive now.</li><li>- Where skill base and experience exist within the current carer population we will encourage and support them to move into Level three category to expand our placement provision.</li></ul>

10.2 Engagement has taken place both with foster carers and looked after children in order to inform this new proposed fees and allowance scheme. In addition, consultation is currently taking place with foster carers and the CICC in order to inform the final proposed scheme.

## 11.0 Case Example

11.1 In order to make a comparison of the impact of the new proposed scheme it is useful to consider an example.

11.2 Under the existing scheme if a foster carer who has been fostering for four years is caring for two siblings aged 10 and 13 they would currently receive £553.34 per week. If they had been foster carers for 9+ years this would be £606 64.

11.3 In the proposed scheme, if they were a level two carer they will receive £604 per week or as a level three carer they would receive £695.00 per week.

11.4. Under the proposed scheme the carers will have greater flexibility with regard to the children's allowance which is included in this calculation as they will not have to allocate as much as they currently do per week for savings and pocket money. This will increase the money than they currently have available to spend each week.

11.5 If the two children were placed with external carers approved by an IFA this would cost the Local Authority a minimum of approximately £1600 per week.

11.6 If the two children were placed in a residential placement, as a minimum this would cost a minimum of £5,000 per week.

## 12.0 Financial Implications

12.1 In order to compare the impact of the proposed fees and allowances paid to foster carers a typical week was extracted from the payments system in order to profile the age of the children in foster care and the skills of current carers, in order to group to group these into where it is assumed current skill sets will fall in terms of the proposed fees and allowances.

12.2 The data for the specific week in question showed payments to 136 foster carers and 36 family and friends carers, using this as the basis the following two scenarios have been calculated for comparison purposes:

- Scenario One – Assumes all foster carers receive payments at level two generic.
- Scenario Two – Assumes 98 foster carers receive payments at level three advanced with the remainder at level two generic.

12.3 The table below shows the impact of the two scenarios using the proposed fees and allowances compared to the approved 2015/16 budget:

	<b>Scenario One</b>		<b>Scenario Two</b>	
	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
<b>Budget 2015/16</b>	<b>4,277,960</b>		<b>4,277,960</b>	
<b>Costs of proposed fees and allowances:</b>				
Reward Fee		2,169,977		2,575,127
Children's Allowances		1,660,489		1,660,489
Birthday and Holiday Allowances		4,885		4,855
Training Allowances		206,400		206,400
Total Cost		4,041,751		4,446,871
<b>Potential annual saving/(cost pressure) on proposed fees and allowances</b>		<b>236,209</b>		<b>(168,911)</b>

12.4 Scenario one shows an indicative saving of £236,209 whilst Scenario two shows an indicative cost pressure of £168,911 when compared to the approved budget for 2015/16 for fees and allowances. Any cost pressure that arises as a result of the implementation of proposed fees and allowances will be contained within the children's transformation work.

- 12.5 In both scenarios it is assumed that both foster carers will take up the maximum training sessions proposed in the body of the report at an indicative annual cost of £206,400. The trend over the last three years shows the average spent on training is only in the region of £80,000 as both foster carers do not normally complete all training elements. If the trend continues into the future then there could be a further indicative savings of £126,400.
- 12.6 Based on the new proposed fees and allowances, if the Council were to recruit a new foster carer the average cost would be £18,484 compared to the cost of an external foster carer at £40,000, giving rise to a cost pressure saving of £21,516 for each looked after child placed in internal foster care.

**[NM/24082015/K]**

### **13.0 Legal implications**

- 13.1 Legal services have been consulted on this proposal and are supportive of the proposals. With regard to the policy, in the recent case of X, R (on the application of) v London borough of Tower Hamlets 2013 the court found that the criteria for the differing levels rested solely on the question of whether or not the carers were related to the child. It was said that there is no reason why a local authority should not design a fee structure based on qualifications. A family carer who met the appropriate criteria would then be entitled to receive the same fees as any other foster carer. Provided that the criteria were genuine and reasonably related to the task of fostering children, and provided that family foster carers were not excluded from seeking to meet the criteria that could be appropriate.
- 13.2 The above was taken into account when formulating the current policy. It is hoped that the new policy will reduce the risk of challenge through Judicial Review as it is felt to be a clear, fair and transparent policy set out in clear language how and when an allowance will be paid.

**[TC/03082015/S]**

### **14.0 Equalities implications**

- 14.1 A full equality analysis is currently being undertaken.

### **15.0 Environmental implications**

- 15.1 There are no environmental implications.

### **16.0 Human resources implications**

- 16.1 There are no human resources implications.

## **17.0 Corporate landlord implications**

17.1 There are no Corporate Landlord implications.