
FEES AND ALLOWANCES FOR FOSTER CARERS

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Purpose of this report

The report outlines a review of the foster care allowance scheme to increase remuneration to council foster carers and address the high use of independent foster agency placements.

RECOMMENDATION

The Committee is asked to:

Consider revising the new foster fee scheme to accommodate various amendments incorporated below. The revised scheme enhances the management of sufficiency and affordability of placement for looked after children and recognises that payments should reflect appropriate skills.

Overview and Scrutiny Comments/Recommendations

1. Children's Services Overview and Scrutiny Committee will be invited to consider and comment on this report at its meeting on 18 August 2015.

Background

2. The Council has a duty to provide a range of types of placements for looked after children which meet their needs. In most cases a child's needs should be met by living in a family setting, either with someone known to them (known as a friends and family or connected person foster placement) or with foster carers.
3. The Council recruits its own foster carers, known as 'in-house' foster carers and also has the legal responsibility for assessing and approving friends and family foster carers. In order to meet the demand for placements for children in care, foster placements are also bought from Independent Fostering Agencies (IFA's). Central Bedfordshire Council, in conjunction with Luton Borough Council and Bedford Borough Council has

a Framework Agreement with 18 such agencies to offer suitable and sufficient IFA placements within a tight cost and quality framework.

Purpose of the New Fostering Fees Scheme

4. As at February 2015, the current average cost of Independent Fostering providers is £800 per week (£41,600 per year). In contrast, the current average cost of an in-house placement is £350 per week (£18,200 per year). This presents a current cost difference of £23,400 per year. It is Council's intention to continue to increase the number of in-house placements and reduce the number of more expensive Independent Fostering placements.
5. In September 2013, the Executive Committee agreed a plan to increase in-house foster carer recruitment and to retain existing carers through the introduction of a fee based scheme to improve rewards to in-house carers. This scheme costs an additional £499,000 per year to the Council.
6. From 01 April 2014 the Council have paid the following fees to eligible foster carers in addition to the allowance paid to Tier 1 Carers;
 - Tier 2 carers receive a fee of £100 per week per child placed
 - Tier 3 carers receive a fee of £175 per week per child placed
 - Tier 4 youth carers receive a fee of £175 per week per child in addition to their agreed allowance

From 01 July 2015 we propose the following amendment to the fees paid to foster carers;

- All foster carers (Tier 1) will be paid a rate equivalent to the Fostering Network recommended minimum allowance plus 10%
- Tier 2 carers (previously called Tier 1) will receive £100 per week per child placed in addition to Fostering Network Rates
- Tier 3 carers (previously called Tier 2) will receive £175 per week per child placed in addition to Fostering Network Rates
- The existing Youth Carer scheme will receive £385 per week per child in addition to the allowance paid to Tier 1 Carers

This amendment will ensure that all carers be they career carers or family and friends carers are treated the same and have the same opportunities to enhance their skills through the appropriate training process.

7. This approach recognises the training and assessment that Carers undertake to carry out their tasks and responsibilities, together with their experience, especially in so far as they take on the care of a variety of different children in placements for task centred fostering. Fostering

allowances will continue to be based on the annually updated Fostering Network rates.

8. On 31 March 2015 there were 274 children Looked After (LAC) by Central Bedfordshire Council, with 195 children placed with either in-house or independent agency foster family. This represents 71% of the LAC population placed with foster carers, which compares reasonably with the statistical neighbours figure of 75%.
9. It was a primary objective of the New Fee Scheme to increase the proportion of children in care placed in-house. As can be seen above this has already been achieved within a year of the new arrangement being introduced. It was also an objective to increase the number of in-house placements by 10 in the first year and 15 in the subsequent year. This target set for the first year has been achieved.
10. The age profile of children placed with foster carer's shows the need for additional carers for children under the age of 10 years. However, more carers are needed for all age ranges particularly for sibling groups of children.

Table 1: Age Profile of Children in Care in Foster Placements at 31 March

Age	Tier 1	Tier 2	Tier 3	Tier 4	Special Cases	Total in house	IFA	Total
0 to 4	16	5	13			34	10	44
5 to 10	13	3	15		2	33	38	71
11 to 15	7	3	14	5		29	36	65
16+	3		3	3		9	6	15
Total	39	11	45	8	2	105	90	195

Summary of Planned Increase in In-house Foster Carers

	At 31 Jan 14	At 31 Mar 15
Number of children placed in house	95	105

When the scheme was tabled in January 2014 it was planned that:

- There would be 105 in-house placements by 31 March 2015. The table above confirms this has been achieved. In financial terms the additional cost of each IFA placement is £23,400, so the fully annualised effect of 10 placements in-house as opposed to IFA is £234,000.

- It is planned that the number of in-house placements will increase by a further 15 to 120 by 31 March 2016.
11. It is recognised that foster care provision in Central Bedfordshire will continue to be a mixed market of in-house and IFA placements, to provide an efficient and effective service. We aspire to increase the proportion of in-house fostering provision and reduce the use of IFA placements, in line with our statistical neighbours and preferably trend towards the higher performing local authorities with a significant majority of in-house foster placements.

Details of the Revised Scheme

12. Tier 1 -

This level is intended for those carers who have not carried out the appropriate training required to become eligible for the Tier 2 Foster Carer rates. Typically, this will be a Carer who is looking after a specific child or children (possibly as a family or friend placement) and is solely approved for that specific child or children. In this instance fostering allowances are currently paid at 110% of the Fostering Network recommended rate.

It is recommended that this payment level should continue to cover the costs for the child, and would be the payment made to those carers who have not yet become eligible for Tier 2 or Tier 3 by attaining the requirements detailed below. Once approved as Tier 1 Carers, they will be eligible to complete basic training to satisfy the Training Development Standards, as well as core training such as First Aid, Safeguarding and Safer Caring.

13. Tier 2 -

This level applies to approved carers who are available for any children the Council may propose to place with them, within their agreed approval range. The expectation is that they show willing to consider placements presented and provide clear reasons for declining placements. They will have completed the Skills to Foster course and a full assessment that has been approved via Fostering panel.

A fee of £100 per week on top of the fostering allowance will be paid to Tier 2 carers for each child placed with them. They will also complete a Personal Development Plan that identifies specific learning and development needs and how these will be accomplished. Carers who cease to meet the required standards will be reduced to a lower tier. The fostering allowance is paid at Fostering Network rates, according to the age bands as published annually.

14. Tier 3 –

Carers must have been fostering for two years at Tier 2 and complete their Training Support and Development (TSD) mandatory workforce development standards before progressing to Tier 3. The fostering allowance is paid at regular Fostering Network rates, according to the age bands as published annually. Carers who cease to meet the standards can be returned to a lower Tier.

Carers at this level will also be required to have successfully completed additional core training as defined by the Fostering Service, maintaining an active training profile that reflects on their continuous professional development. The Personal Development Plan will identify specific training expectations that evidence competencies and contribute to the learning of others.

Carers at this level will also be sought to contribute to wider aspects of the service such as being Buddy or Mentor to less experienced foster carers and/or contributing to training and recruitment activities. When they reach this competency level, the fee will increase to £175 per week per child placed.

15. Tier 4 – complex needs

This level is currently provided within the Youth Care scheme and a higher fee of £385 is paid to a small number of carers with a commitment to providing maximum occupancy and working with complex and demanding placements that require a higher level of support and supervision.

It is proposed that this scheme is re-evaluated in near future, but for the present is continued as a small cohort and utilised more flexibly with regard to age range of placements. Practice has shown that there are younger children who may well benefit from a specialist placement such as the Youth Care scheme have to offer.

16. Table 2 Summary of weekly Fees and Allowances for 2015-16

Age range	Fostering Network baseline	Tier 1 (no fee) Allowance	Tier 2 £100 fee + Allowance	Tier 3 £175 fee + Allowance	Tier 4 £385 fee + Allowance
0 to 4	£142.87	£157.15	£242.87	£317.87	
5 to 10	£162.75	£179.06	£262.75	£337.75	
11 to 15	£202.58	£222.88	£302.58	£377.58	£607.88
16+	£246.47	£271.11	£346.47	£421.47	£656.11

17. Table 3 Cost of In-House Placements

The weekly cost of placing the children with in-house foster carers applying the above rates to the number of children analysed in paragraph 10 above is:

	Tier 1	Tier 2	Tier 3	Tier 4	Special Cases
0 to 4	2,514	1,214	4,132	0	
5 to 10	2,328	788	5,066	0	894
11 to 15	1,560	908	5,286	3,039	
16+	813	0	1,264	1,968	
Total	£7,216	£2,910	£15,749	£5,008	£894

Full weekly cost £31,777

Full annual cost £1,652,395

18. Summary of Benefits of the new Fee scheme

- Be more competitive with neighbours and attract more carers
- Prevent children going to IFA placements and bring those in IFAs back to in-house placements in a planned way (each child placed with an in-house carer results in a cost reduction of £23,400 per year compared to an Agency placement (figures calculated at current average rates)
- Incentivise foster carers to complete mandatory training and enable them to feel the council is treating them as paid professional carers
- Prevent loss of existing carers either to competitors or because they can no longer afford to foster
- Encourage foster carers who would otherwise need to work to be more available for fostering at no financial detriment to their household
- Have carers more available to meet the needs of younger children, and potential savings on extra costs such as transport to school
- Encourage foster carers to increase the number of children they wish to foster to take advantage of the increased fee income available
- Increase the provision of in-house placements and reduce the use of IFA placements by 25 over the two years to 31 March 2016

Council Priorities

19. Central Bedfordshire Council's Strategic Plan 2012-16 Priority 3 – Promote health and wellbeing and protecting the vulnerable.

20. The Children and Young People's Plan 2011-2014 Priority 2 – Protecting children and keeping them safe.
21. Providing a sufficient number and range of foster placements is a key statutory responsibility to Looked After Children

Corporate Implications

Risk Management:

22. Regulatory Risks: The provision of sufficient and suitable foster placements is a key activity monitored by Ofsted during inspection, forming part of their judgement about services for Looked After Children.
23. Child Protection Risks: Failure to recruit or retain sufficient foster carers would be a child protection risk.
24. Reputational Risk: Recruitment of foster carers is a competitive market activity and has a high media profile.
25. Financial Risk: Looked after Children placements is a demand led activity. Independent Agency Placements are high cost, and variations in the proportion of independent versus in-house placements can have significant and immediate impact on forecast spend.

Legal Implications

26. The Children Act 1989 identifies a statutory duty for Local Authorities to provide sufficient accommodation in their local area and to provide maintenance for children who are looked after.
27. The Fostering Service (England) Regulations 2011, associated Statutory Guidance and National Minimum Standards outline the Local Authority's responsibility to ensure that foster carers are given clear information about the allowances, fees and expenses available to them. The allowance must be sufficient to cover the cost of caring for a child placed with them and must be reviewed annually.
28. The Local Authority must provide support to all foster carers according to objective criteria that do not discriminate against foster carers that have a pre-existing relationship with the child.

Financial Implications

29. Impact per report dated 24 March 2014
30. Overheads for the Fostering Service are fixed and will not be increased as a result of the proposed increase in number of in-house placements.

31. The increased cost of implementing the Fee scheme with current number of in-house placements is £298,000. This is cost incurred before any growth in foster placements. The increased cost of a further 10 placements in 2014-15 is an additional £144,000. Adding these together, the proposed increase fits within the agreed cost for 2014-15 of £499,000.

32. For the year 2015-16, the increase of a further 15 in-house placements is costed at £218,000.

Outcome to 31 June 2015

33. The New Foster Scheme has achieved all the targets set for the first year.

Impact of proposed variation

34. The proposed variation clarifies the rate of allowance to be paid to Foster Carers in their respective tier bands and reflects that payments reflect appropriate skills. It will have no direct financial impact.

Equalities Implications

35. Fostering allowances must meet the cost of caring for a child. The allowance scheme must ensure that any additional costs incurred in caring for a disabled child or a child with other specific needs is met.

Conclusion and next Steps

36. The Corporate Parenting Panel is asked to note progress on the development and agree the implementation of the revisions proposed to the fostering fees scheme.

Appendices

None.

Background Papers

The Fees and Allowances for Foster Carers, 24 March 2014 has been used for the basis of this update.