

TELFORD & WREKIN COUNCIL

CABINET – 20th SEPTEMBER 2012

FOSTER CARERS ALLOWANCES FOR CHILDREN IN CARE

REPORT OF INTERIM ASSISTANT DIRECTOR: CHILDREN'S SAFEGUARDING

LEAD CABINET MEMBER – CLLR PAUL WATLING

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

This report outlines the proposal to increase current Telford and Wrekin foster carer allowances for children in care. These allowances are subject to annual review; they have not been increased since October 2009. Comparisons made with nearby local authorities show that our allowances are currently lower than two neighbouring authorities. The level of allowances is a factor which influences the recruitment and retention of foster carers.

Telford and Wrekin need to attract more foster carers to keep children local and reduce external foster placements in the independent sector.

2. RECOMMENDATIONS

2.1 To seek approval to raise fostering allowances paid to foster carers for each child/young person looked after by them to a competitive level i.e. by 7.5% as from 01/10/2012.

2.2 To seek delegated authority to the Interim Assistant Director: Children's Safeguarding to approve proposals for the remodelling of foster carer fees element of the payment to Foster carers to reflect the different level of skills needed to care for children according to the complexity of their needs. The proposals will be developed by October 2012 for consultation with Foster Carers for approval by December 2012.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	1. Improved Life Chances for All 2. Vulnerable Children and Adults Protected
	Will the proposals impact on specific groups of people?	
	Yes	Implementation of these proposals will facilitate a greater proportion of children in care being cared for in foster homes near their families and school.
TARGET COMPLETION/DELIVERY DATE	1 st October 2012	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<p>The impact of a 7.5% increase on these fees results in a part year cost in 12/13 of £43,605 and for 2013/14 a full year cost is £87,210. The savings generated on current spending levels by a small change in the current mix of placements resulting in a reduction in external placements and an increase in internal placements would fund the level of additional costs identified. It is anticipated that the implementation of this increase will support the retention of existing internal foster carers as well as the strategy of increasing the current number of children in care placed with internal foster carers. The success of the placement strategy will contribute to the longer term plan to significantly reduce the overall cost of children in care placements reflected within the Council's current medium term strategy.</p> <p>The financial implications of any future remodelling of fee structure will need to be considered when proposals are fully developed. TAS/GS 27.6.12</p>

LEGAL ISSUES	Yes	<p>The Fostering Services (England) Regulations 2011 and accompanying guidance came into force in April 2011.</p> <p>The National Minimum Standards for Fostering Services (NMS) apply to local authority fostering services, independent fostering agencies and voluntary organisations. The NMS, together with the above regulations and guidance form the basis of the regulatory framework under the Section 23 Care Standards Act 2000 (CSA) for the conduct of fostering services.</p> <p>Standard 28 governs payments to carers and includes that each foster carer receives at least the national minimum allowance for the child, plus any necessary agreed expenses for the care, education and reasonable leisure interests of the child, and that allowances and any fees paid are reviewed annually and the fostering service consults with foster carers in advance of any change to the allowance and fee.</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>It stimulates the local economy in offering opportunities for adults to consider fostering as an active occupation choice which complements family commitments – and provides an additional point of potential entry through into the children's paid workforce.</p>
IMPACT ON SPECIFIC WARDS	Yes	<p>Supports the recruitment and retention of foster carers across all ward areas and contributes to local people to come forward to consider fostering with Telford and Wrekin instead of going to another Local Authority area.</p>

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

Standard 28 of the National Fostering Minimum Standards 2011 governs payments to carers and includes that each foster carer receives at least the national minimum allowance for the child, plus any necessary agreed expenses for the care, education and reasonable leisure interests of the child, and that allowances and any fees paid are reviewed annually and the fostering service consults with foster carers in advance of any change to the allowance and fee.

The payment structure for foster carers in Telford and Wrekin has three elements.

- **A Fee:** This recognises the foster carers' skills, experiences, attendance at training, supervision, meetings related to the child, and meetings with the fostering service. The fee is paid for each child if one of the members of the household is at home on a full time basis caring for children placed by Telford & Wrekin Fostering Service. It is this element that is going to be reviewed later this year.
- **An Allowance:** Paid to foster carers to care for each child/young person which reflects the cost of looking after a child. This includes clothing, food, pocket money, leisure and fun, heating etc. See [Appendix 1](#) for list of what an allowance covers.

Central Government sets minimum annual fostering allowance rates which vary according to the age of the child. The National Fostering Network (which represents foster carers) also has a set of recommended allowances. Payments to foster carers for looking after children in their care vary between local authority areas. This has resulted in placing added pressure to recruit and retain foster carers at a time of national shortage of foster carers where rates are highly competitive between local authorities.

To see how Telford & Wrekin compares [see Appendix 2](#).

- **Discretionary payments:** These are paid to support foster carers and children and /or young people placed in their care. These may include, for example; agreed respite provision at the outset of a placement, funding the transport of children placed with foster carers for a time limited period, financial contribution towards a particular piece of equipment.

The Council has over the past 12 months prioritised the recruitment of foster carers in order to increase the number and choice of locally available foster carers to maintain children in our borough. This strategy improves outcomes for children in care in respect of access to local health and educational provision, and contact with family where appropriate. It also reduces the travel costs for the range of council staff who support children.

Increasing the Foster carer's allowances:

This report recommends the increase of Telford & Wrekin Foster carers allowances for 2012/13 by 7.5% from 1st October 2012, whilst a general review is undertaken between October 2012 to December 2012 which will involve extensive consultation on the options for remodelling our Fostering services to meet new emerging service needs and proposals for placement costs and fee structures for foster carers. Regarding the proposals to increase allowances, a written and face to face consultation exercise was carried out with foster carers and the Chair of the Telford & Wrekin Fostering Association in May 2012. Foster carers felt the proposal to raise allowances was necessary and appropriate.

Financial Implications

If internal foster care placements are not available to the Council then an external fostering place will need to be found. The average cost per week for an external placement where the needs of the child or young person could have been met by an internal placement is £804 per week compared to an average unit cost per week of £251 for an internal placement. The additional annual cost of making an external placement instead of an internal placement would be £28,756. Based on current numbers of children placed with Telford & Wrekin carers, increasing the allowance paid to internal foster carers by 7.5%, to the recommended Fostering Network rate, would result in additional costs for 2012/13 (part year effect) of £43,605 and in 2013/14 a full year cost of £87,210. These additional costs could be met if the increased fee resulted in not only retaining but attracting additional internal foster carers. The increased cost in 2012/13 could be met from a reduction of two in the current usage of external placements, the cost in 2013/14 would require an ongoing reduction of four. This would therefore require a relatively small change in placement types to produce a net impact of nil on current spending levels.

It is anticipated that the implementation of this increase will support the retention of existing internal foster carers as well as the strategy of increasing the current number of children in care placed with internal foster carers. The success of the placement strategy will contribute to the longer term plan to significantly reduce the overall cost of children in care placements reflected within the Council's current medium term strategy.

The financial cost for 2012/13 of increasing the child's allowances by 7.5% is at table 1 Appendix 3. The financial cost for 2013/14 onwards is in table 2 Appendix 3, this also includes analysis of the potential cost if increases were implemented at a different percentage to 7.5%.

Current numbers of fostering placements for the most recent 6 weeks of 2012/13 can be found in table 3 Appendix 3.

5. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

Not applicable

6. **PREVIOUS MINUTES**

Not applicable

7. **BACKGROUND PAPERS**

National Fostering Network, external fostering framework contract, other Local Authority responses to enquiries to their current foster carer allowance rate, consultation with foster carers

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Appendix 1

Allowances paid to foster carers to meet the needs of children in care

The allowance is paid to cover:

- Basic furnishing (bed, wardrobe, chest of drawers etc)
- New and replacement clothing and shoes
- Pocket money
- Food
- Transport to and from nursery /school /college(under 6 miles return journey)
- Attendance to medical appointments
- Purchase of equipment for school i.e. musical instruments, lessons, stationery, computer software
- 50% of the costs of school trips which are integral and necessary to fulfil curriculum or examination, requirements
- School dinner money
- Out of school activities- brownies, cinema, swimming, playgroups
- Gas and electricity
- Telephone calls and mobile phones
- Haircuts and hair products
- Glasses
- Toys
- Toiletries
- Cost of school holiday activities when the child or young person is not attending school during vacation periods
- Furniture
- Bedding
- Contribution towards life story work
- Adoption introductory visits
- Specialist food

In addition carers receive:

- One week's payment to support a birthday – if child is under 4 years we recommend that some of this funding is placed in a saving account for the child.
- One week's payment to support the purchase of a Christmas present.
- Two week's additional payment to cover the costs of annual holiday for each child – i.e. contribution towards the costs of a holiday – this may be taken during the summer holidays, Easter holidays, half term, Christmas but not during term time.

Appendix 2

Snapshot of how Telford & Wrekin compare with the other neighbouring local authorities in our area.

Other neighbouring local authority's allowances as at 01.4.2012:

Age	T&W	Shropshire	Dudley	Walsall
0-4	£125.09	£134.49	£125.09	£134.49
5-10	£142.49	£153.20	£142.49	£153.20
11-15	£177.38	£190.72	£177.38	£190.72
16+	£215.74	£232.00	£215.74	£232.00

Shropshire and Walsall pay recommended fostering allowances to their foster carers for internal fostering. See above.

Comparator table with Government recommendations and fostering network current from 1st April 2012

Age	T&W	Government recommendations for base rate	Fostering Network outside London rates
0-4	£125.09	£114	£134.49
5-10	£142.49	£129	£153.20
11-15	£177.38	£148	£190.72
16+	£215.74	£172	£232.00

N.B. for Local Authorities in South East and London rates are higher apart from children 0-4 years which are lower than fostering network rates.

Appendix 3

The projected costs of Increasing T&W Fostering Allowances – projected costs 2012/13:

The table below outlines the projected additional financial costs of increasing Telford & Wrekin fostering allowances by 7.5% for caring for children placed in our internal fostering placements (not the fee to foster carers) for 2012/13.

Table 1- Revised forecast for foster carer allowances 2012/13

		<u>01/04/12 to 30/09/12 (26 weeks Forecast Old Rate)</u>	<u>01/10/12 to 31/03/13 (26 weeks Forecast 7.5% additional)</u>	<u>Total Forecast</u>	<u>Cost of 7.5% allowance increase for 26 weeks (01/10/12 to 31/03/13)</u>
<u>Fostering Age group</u>	<u>No:</u>				
0-4	38	£123,922	£133,216	£257,137	£9,294
5-10	33	£122,586	£131,779	£254,365	£9,194
11-15	26	£120,232	£129,249	£249,481	£9,017
16+	8	£44,995	£48,369	£93,364	£3,375
	105	£411,734	£442,614	£854,347	£30,880
<u>Relative Carers</u>					
0-4	9	£29,350	£31,551	£60,901	£2,201
5-10	19	£70,580	£75,873	£146,453	£5,293
11-15	9	£41,619	£44,740	£86,359	£3,121
16+	5	£28,122	£30,231	£58,353	£2,109
	42	£169,670	£182,395	£352,065	£12,725
TOTAL	147	£581,403	£625,009	£1,206,412	£43,605

Table 2 – Forecast for Fostering Care Allowances 2013/14 onwards

<u>Fostering Age Group</u>	<u>No:</u>	3% Increase	5% Increase	7.5% suggested Increase
0-4	38	£7,435	£12,392	£18,588
5-10	33	£7,355	£12,259	£18,388
11-15	26	£7,214	£12,023	£18,035
16+	8	£2,700	£4,499	£6,749
	105	£24,704	£41,173	£61,760
<u>Relative Carers</u>		3%	5%	7.50%
0-4	9	£7,435	£12,392	£4,402
5-10	19	£4,235	£7,058	£10,587
11-15	9	£2,497	£4,162	£6,243
16+	5	£1,687	£2,812	£4,218
	42	£14,167	£23,612	£25,450
TOTAL	147	£38,871	£64,785	£87,211

Table 3 – Current Fostering Placement Type by number 2012/13

	18/05/2012	25/05/2012	01/06/2012	08/06/2012	15/06/2012	22/06/2012
External Fostering	95	95	97	98	96	96
Internal Fostering	100	100	101	101	104	105
Relative Carers	42	42	43	43	42	42
Grand Total	237	237	241	242	242	243