

TELFORD & WREKIN COUNCIL**CABINET – 14.03.2019**

Fostering Modernisation Plan (Review of Foster Carer Fees and Allowances)

REPORT OF - Assistant Director, Children's Safeguarding and Family Support**LEAD CABINET MEMBER –** Councillor P Watling, Cabinet Member for Children & Adults Early Help & Support (Lead Member for CYP)**PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

- 1.1 Telford and Wrekin Council has a duty to provide or commission a range of placements sufficient to meet the needs of all children in care locally, including foster care provision. The local authority provides a fostering service, recruiting and supporting a range of foster carers as well as commissioning foster placements from Independent Fostering Agencies. Over the last 3 years there has been a significant increase in the use of Independent Fostering Agencies, which are more expensive than local authority provided foster care, and often result in children being placed further from home which can lead to poorer outcomes for children as well as create problems in delivering social work services.
- 1.2 Although there has been growth in the number of Telford and Wrekin Council foster carers over the last year, a review of our Council foster care service has identified a number of areas for improvement including: recruitment and retention of foster carers; availability of foster carers to provide care for children and young people with complex needs; and ensuring that we offer a competitive offer for current and potential new Telford and Wrekin foster carers.
- 1.3 This report provides a proposal to modernise and simplify fees and allowance schemes for foster carers within the Telford and Wrekin fostering service, with clear progression routes to reflect market rates. The report identifies proposals and rationale for additional investment to accelerate this service improvement and growth.

- 1.4 The benefits of the proposed changes will result in an increase in both the number and capacity of in-house foster care provision; a reduction in the number of children placed with Independent Fostering Agencies and an increase in number of children placed locally. The financial case for change is strong, with significant budget pressure on the provision of placements. This plan will contribute to a reduction in budget pressures attributed to placements for looked after children.
- 1.5 An extended and full engagement with foster carers, coupled with an analysis of practice in other Local Authorities and in Independent Fostering Agencies has informed the proposals.

2. RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the revised fees and allowances structure for Telford and Wrekin Council's Foster Carers.
2. Agrees that the scheme commences on 1st April 2019 and a 12 month review and evaluation be completed in April 2020.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Our Proposals; changes to foster carer's payments - for consideration and approval meet the following Council priorities	
	Yes	<ul style="list-style-type: none"> • Put our children and young people first • Protect and support our most Vulnerable children and Adults • Protect and create Jobs as a Business supporting Business Winning Council • Improve local peoples prospects through education and skills training • Improve the health & wellbeing of our communities and address health inequalities
	Will the proposals impact on specific groups of people?	
	Yes	<ul style="list-style-type: none"> • Our proposals will impact on all members of T&W population who wish to become foster carers or existing foster carers aged 21years to those who individually select retirement. • The exception to this are those members of the population who have specific cautions, Criminal convictions relating to children and specific offences.
TARGET COMPLETION/DELIVERY DATE	1 st April 2019 implementation of the new payment structure for new and existing Telford & Wrekin Foster Carers and associated	
FINANCIAL / VALUE FOR MONEY IMPACT	Yes	<p>The average cost of internal foster care provision in T&W is currently less than half that of Independent Foster Agencies (IFAs). The budget strategy for Children's Safeguarding & Family Support (CSFS) has assumed a significantly higher level of internal provision and significantly lower IFA provision than is currently the case. The result has been that the current average cost of foster care provision is higher than had been planned and so is contributing to the financial pressures in CSFS.</p> <p>The proposals contained within this report would result in increased expenditure on internal foster</p>

		<p>care provision, but the cost of internal provision compared to IFAs would remain much lower. As a result, if this increase in expenditure contributes to better recruitment and retention of internal foster carers, then there could be a positive financial impact on the CSFS budget position. In particular, if more children and young people with disabilities or with complex and vulnerable characteristics can be cared for by internal foster carers, this would support the service's plans to 'step-down' children and young people from expensive, often out of area care, to local, internal care.</p> <p>The measures proposed in this paper have been included as part of the budget strategy for 2019/20. (TD 18.2.19)</p>
LEGAL ISSUES	Yes	<p>Section 22C of the Children Act 1989 sets out the ways in which looked after children are to be accommodated and maintained by a local authority:</p> <ul style="list-style-type: none"> • with a parent or person who holds parental responsibility or previously held such under a Child Arrangements Order • with a connected person foster parent • with a local authority foster parent who is not a connected person • in residential care • placement in other regulation compliant arrangements, subject to statutory review. <p>Pending any revision to legislation and statutory guidance following the publication of Foster Care In England on 6th February 2018 and Fostering Better Outcomes by the DfE on 20th July 2018, fostering services are regulated by the following framework [as updated from time to time]:</p> <ul style="list-style-type: none"> • Fostering Services (England) Regulations 2011 • DfE Fostering Services: National Minimum Standards [NMS]

		<ul style="list-style-type: none"> • DfE Children Act 1989: care planning, placement and case review statutory guidance 2010 • DfE Family and Friends Care: Statutory guidance for local authorities 2010 • DfE Children Act 1989 Statutory guidance on fostering services for looked after children 2011 • DfE Fostering Services: Statutory guidance on the assessment and approval of foster carers 2013 <p>There is a minimum requirement that local authorities have objective criteria that do not discriminate against family and friends foster carers [NMS Standard 30.10]</p> <p>The DfE sets and publishes the National Minimum Allowance (NMA) in April each year and expects all fostering services to pay foster parents at the NMA rate. Any fee / reward based payment would be paid in addition to the NMA.</p> <p>Any additional allowances that are payable to unrelated foster carers with a particular skill or qualification must also be payable to family and friends foster carers (R(X) v London Borough of Tower Hamlets [2013])</p> <p>The European Court of Justice determined on 20th November 2018 that foster carers are not workers for the purposes of the Working Time Directive.</p> <p>A hearing date is awaited in the case of Anderson v Hampshire City Council which will consider the employment status of foster carers and their entitlement to holiday pay.</p> <p>(KF 28.12.2018)</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	Financial: If the fostering service is not modernised, then it is likely that the costs associated with the use of external fostering placements will continue to rise and will continue

		<p>to have a significant impact on the financial viability of the provision and the council.</p> <p>Strategic Priorities: Failure to offer sufficient, high quality local placements results in a failure to adequately fulfil Corporate Parenting Responsibilities to looked after children.</p> <p>Reputation: Failure to meet quality standards and fulfil our duties and responsibilities as set out in legislation, regulations and guidance would have a detrimental impact on the reputation of the local authority.</p> <p>Criticality of Service: This is a statutory service, critical to meeting the needs of children and young people in care. Without modernisation, there is a risk that there will not be sufficient local carers to support the needs of the children placed there resulting in poor short and long term outcomes</p>
IMPACT ON SPECIFIC WARDS	No	N/A

PART B) – ADDITIONAL INFORMATION

The remainder of the report will contain any additional information needed to inform decision-making and is likely to include the following headings:

4. INFORMATION

Background:

4.1 Telford and Wrekin Council has a duty to provide or commission a range of placements sufficient to meet the needs of all children in care locally (Children Act, 1989¹; Sufficiency Statutory Guidance, 2010²; Care Planning, Placement and Case Review Regulations, April 2010³). This range of

¹ <http://www.legislation.gov.uk/ukpga/1989/41/contents>

² <https://www.gov.uk/government/publications/securing-sufficient-accommodation-for-looked-after-children>

³ <http://www.legislation.gov.uk/uksi/2010/959/contents/made>

placement provision includes foster care provision where there is a mixed market of internally provided, often known as in-house provision, and externally commissioned provision from a range of Independent Fostering Agencies.

4.2 Foster carers are in increasingly short supply nationally, and with a legal obligation to find suitable accommodation for our vulnerable children and young people, local authorities are turning to Independent Fostering Agencies and other high cost provision due to there being a reduction in the availability of in-house local authority carers.

4.3 The scale of the foster care crisis has been widely publicised, and referenced in the 2018 Foster Care in England: Review⁴, which established that the number of approved fostering households is continuing to decline. In 31 March 2018, there were 43,475 fostering households; a decrease of 3% from March 2014, where there were 44,780 approved fostering households.

4.4 Further evidence of the crisis is visible in the significant reduction in the number of applications to foster, with numbers reported to have fallen 32% between 2014/15 and 2015/16.

4.5 Independent Fostering Agencies (including commercial, not for profit and charity organisations) are clearly a valuable part of our fostering system as they ensure that we can support children with a diverse range of needs, and often offer specialist provision that it would be difficult to effectively or efficiently deliver locally.

4.6 However, there are national concerns over the rising costs of Independent Fostering Agencies provision, with fees paid to Independent Fostering Agencies per foster child being almost 92% higher than those paid directly to carers registered with local authorities, according to a 2016 report by government adviser Sir Martin Narey, with the average fee per week rising to £759 for Independent Fostering Agencies, from £396 for local authority carers⁷.

4.7 The use of Independent Fostering Agencies in Telford and Wrekin has increased over the last three years, in line with the national picture. The use of independent fostering provision between 2015/2016 and 2017/2018 increased from 24,764 nights to 34,752 nights, a rise of 40%. That compares to an increase of just 8% in the use of internal fostering provision over the same period.

⁴ <https://www.gov.uk/government/publications/foster-care-in-england>

4.8 The proportionate increase in the use of Independent Fostering Agencies is due to several factors including: the national increase in the number of looked after children; an increase in the complexity of needs of children; inadequate growth of in-house foster carer provision to meet this demand; and a foster carer offer which is not aligned with that of our competitors.

4.9 The consequence of increased use of Independent Fostering Agencies is not only increased expenditure but also an increase in the number of children placed further away from home, which can be detrimental to outcomes for those children and young people. This also creates challenges for provision of services as social workers and other professionals must travel across the county to provide support and fulfil their duties.

4.10 Costs of placements for children looked after continues to be a significant financial pressure. A breakdown of current placements for the 385 looked after children in Telford and Wrekin identifies that 47 children (12%) are placed in residential settings at a forecast cost in 2019/20 of £7.6m. In terms of the 18/19 forecast position, we're predicting that residential provision will account for 48% of the total £15.8m spend on children in care. In addition, 112 children in care are in Independent Foster Agency Placements and we forecast that total expenditure of £4.4m in this placement type will account for 28% of total spend on children in care.

4.11 The data clearly demonstrates that internal fostering placements represent the best value for money, and lowest costs (average £356 per child, per week as at 31st January 2019). External fostering costs are on average £837 per child per week. Residential placements cost on average £3332 per week.

4.12 It is acknowledged that the placement mix for children currently looked after in Telford and Wrekin is unbalanced with too many being placed in expensive Independent Fostering Agency placements, too few with in house carers, too many in very expensive residential placements and too many young children in residential placements. Linked to this is an inadequate supply of foster placements for the children and young people who are becoming looked after in the borough, including those with highly complex and challenging behaviour. It is desirable, therefore, to increase the supply of in-house provision to help address these pressures and to ensure that children's placements are closer to home.

4.13 This report provides a business case to support a reduction in the number of children placed with Independent Fostering Agencies, increase both the number and the capacity of in-house foster care provision, and

identifies proposals for additional investment to accelerate service improvement and growth.

4.14 As at 31st March 2018, Telford and Wrekin had 90 approved foster carers representing a possible 184 possible placements:

4.15 There is, as would be expected, constant turnover in the carer population. Whilst there is some recruitment, the net gain is insufficient to meet the needs of children entering care, there are also difficulties in recruiting carers for children with more complex needs. It is important to have a diverse pool of foster carers as the individual characteristics and needs of children and young people must be matched with the placement they are placed in.

4.16 A review of the Telford and Wrekin Fostering Service has identified the following set of issues limiting service improvement and growth which have been grouped into themes relating to recruitment activity; retention of foster carers; availability of foster carers to provide care for children and young people with complex needs and the competitive environment for Fostering Services both locally and nationally.

4.17 Telford and Wrekin fostering fees and allowances are standard and offer very little acknowledgement and delineation to recognise the skills, and experiences required to support children and young people in care with more complex needs who may go into residential care, who may be stepped down from residential care and those who had specific short term or enduring significant special needs.

4.18 The National Fostering Stocktake 2018⁵ recommends the endorsement of tiered approaches to paying fees, linked to the skills and experience of the carers.

4.19 We have benchmarked our current fees and allowances with other local authorities and with Independent Fostering Agencies operating within the Telford & Wrekin Area. The outcome of that benchmarking is that our fees and allowances are not all comparable with competitors. Although research and consultation recognises that other factors are also important to both current and prospective new foster carers, it is important that we model our offer to ensure that Telford and Wrekin are recognised as rewarding the complex and valuable work undertaken by our foster carers.

⁵ <https://www.gov.uk/government/publications/foster-care-in-england>

4.20 Within the proposed increases we are also proposing new fees and allowances for the Telford and Wrekin offer in relation to:

- a. An additional level to be introduced into the progression framework to make the Telford and Wrekin foster carer offer attractive and competitive; and to also assist with retention. The introduction of a third tier fee (an increase of £20 per week per child) for experienced foster carers who have remained working in Telford and Wrekin for two years plus.
- b. The recruitment of additional Fostering Plus carers - a distinct role for highly resilient, skilled and experienced carers who look after highly vulnerable children and young people who require a high level of support and care to prevent them from entering residential care. These carers are also pivotal in providing high support step down placements for children and young people who have been in residential care settings for a number of years. This specialist tier will offer an increased fee of £600 per week.
- c. The recruitment of specialist foster carers for children and young people with disabilities. This specialist tier will offer an increased fee of £600 per week.
- d. The recruitment of placements to host parent and child placements during periods of assessment (which would otherwise result in high cost specialist accommodation outside the borough).
- e. A small increase in allowances/birthday allowances/holiday allowances.
- f. There are a number of additional key initiatives referenced in Appendix 1.

4.21 Key points:

- Fee payments will be matched to the complexity of children's needs.
- The skills, expertise and experience of carers will be recognised in payments for the uptake of learning and development and engagement with support groups.
- The proposal simplifies a complex system that has built incrementally over many years and makes the system clear and fair.
- The proposal is designed to attract more carers, who are a hugely valued resource.
- The offer for carers compares well with neighbouring authorities and with the independent sector.
- The proposal will ensure that Telford and Wrekin foster carers feel valued as part of the professional team around the child and have an opportunity to progress and develop.

4.22 Financial proposal:

Proposed foster carer financial offer increases as reflected in Appendix 1 - £174,269.

5. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

*(Where you have answered ‘yes’ to any part of the impact assessment in Section 4, you can add additional information here if necessary. You should ensure that there is sufficient information for members to fully understand the impacts and risks of proposals before making decisions. **Information on financial and legal impacts must be completed by an officer from Finance or Legal).***

6. **PREVIOUS MINUTES**

Not Applicable

7. **BACKGROUND PAPERS**

See Appendix 1

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