

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4923

Author:

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Department:

People

Contact:

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Subject:

Uplift in fostering national minimum allowances

Total Value:

£601,611 (Type: Revenue)

Decision Being Taken:

To increase fostering allowances inline with government recommended national minimum fostering allowances.

Reasons for the Decision(s)

In February

2023 a letter was sent to all local authorities and fostering agencies from the Department of Education indicating a 12.43% rise in the national minimum allowances for foster carers. The letter is clear that the Department expects "all foster parents to receive at least the weekly National Minimum Allowance (NMA), in addition to any agreed expenses to cover the full cost of caring for each child placed with them (standard 28)".

This increase

in the national minimum allowance is greater than anticipated and so the increase currently factored into the MTFP is less than the rise required by the Government.

There is an

imperative to increase the number of 'in-house' foster carers, that is carers who are assessed, approved, and supervised by Nottingham City Council's fostering service. The imperative is 2-fold:

Children who cannot safely be provided care by their own families need the opportunity to live in nurturing homes with highly skilled and well supported carers, foster homes provide children with the chance to live within a family environment which will best prepare them for future life.

The alternative to living with foster

carers who are approved and supported by the local authority is either with foster carers approved and supported by an independent fostering agency or living in a residential children's home. Both options are more costly than local authority foster homes and there is no evidence to suggest better outcomes are achieved for children through these routes of care.

A key element of the Children's Integrated Services transformation programme is to increase in-house fostering options. We know that over the last 5 years the number of children in our care has increased (as it has nationally) and that at the same time our number of in-house foster carers has reduced. Over the past 5 years the number of new carers recruited is far less than the number of carers who have ceased being foster carers with Nottingham City fostering service and have therefore been de-registered.

Briefing notes documents:	APPENDIX 1 - Letter from Minister Coutinho on NMA LAs.pdf
Other Options Considered:	Not increasing our fostering allowances inline with the national minimum allowance is not an option as it would result in a reduction of people fostering with Nottingham city which would detrimentally impact children and have a negative impact on the budget of the council.
Background Papers:	None
Published Works:	None
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Consultations:	Date: 21/03/2023
	Chief Finance Officer: Ross Brown
	Report presented at CLT on 21st March 2023.
	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	Not applicable
Equality:	EIA not required. Reasons: This is not a new policy or service, and an EIA was completed in relation to adjustments to the fostering service in 2022.
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	09/05/2023
Advice Sought:	Legal, Finance

Legal Advice:

The ministerial letter of 10/02/23 advises that it is expected that LAs will increase their National Minimum Allowance for foster carers by 12.43%. This will make the role more attractive to new foster carers and assist in retaining current foster carers. Although more of an increase than forecast, LA foster care is still a cheaper alternative than independent foster care or residential homes and therefore offers better value for LA resources.

Such an increase will not in itself bestow new or enhanced employment rights on foster carers. There may be issues reducing this in the future should the NMA later reduce (for example in a more stable economy). This will be a matter for negotiation balancing the need for services and retention over budgetary constraints. Advice provided by Alexa McFadyen (Senior Solicitor) on 18/04/2023.

Finance Advice:

The ministerial letter published on 10th February 2023 has confirmed that the recommended increase for fostering allowances under the National Minimum Allowance (NMA) for 2023/24 will be 12.43%. This is significantly in excess of what had been provided in the MTFP at 2.5% for foster carers and is strongly recommended for Special Guardianship Orders (SGOs).

An analysis of current foster carers, SGO carers and CAO carers in receipt of an allowance has been undertaken and the additional cost impact of the ministerial announcement is £0.602m, which comprises an additional cost of £0.189m on foster carers and £0.413m on SGO and CAO carers.

The budgetary position across the People directorate for 2023/24 has been reviewed and it has been confirmed that there is no scope to cover this additional cost in the directorate. It is therefore proposed that the Base Budget reserve will fund the £0.602m cost of the increase in allowances in 2023/24 and the funding requirement for 2024/25 and beyond be assessed as part of the future MTFP process.

Advice provided by Paul Stevenson (Interim Strategic Finance Business Partner) on 12/04/2023.

Signatures

Adele Williams (Portfolio Holder for Finance)
SIGNED and Dated: 27/04/2023
Ross Brown (Corporate Director of Finance & Resources)
SIGNED and Dated: 27/04/2023