

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	2043
Author:	Paul Wilkinson
Department:	Children and Families
Contact:	Steve Comb (Job Title: Head of Service, Email: steve.comb@nottinghamcity.gov.uk, Phone: 01158764024)
Subject:	Foster Carer Payment Scheme
Total Value:	£350,000 (Type: Revenue)
Decision Being Taken:	To approve changes to the existing internal foster carer payment scheme and training provision, as outlined in the proposed business model 2015.
Reasons for the Decision(s)	A review has been undertaken on the foster carer payment scheme which was devised in 2007 to provide a clear structure of allowances which is competitive in the wider market and addresses the needs of the children in foster care with in house carers. A number of consultations have been made with Nottingham City foster carers and a variety of options explored. This proposal is in response to the feedback of the carers, legal and financial representatives. Our objective is to recruit more Nottingham City carers for Nottingham City children. In essence this is an invest to save proposal with costs incurred being recouped from a reduction in high cost agency fostering placements. The funding is contained within the existing fostering service budget which has been underspent in recent years because of our inability to recruit sufficient numbers of carers. These proposals will make it more attractive to foster for the Council and in particular to foster children aged 11+ who currently go to higher cost agency placements. New, more robust training arrangements will be provided to skill carers to manage troubled and troublesome children and young people reducing the number who have to go to high cost agency placements.
Briefing notes documents:	Fostering allowances Proposed Model 220415.doc

Other Options Considered: 1) Do nothing - this option is not recommended. Fostering allowances have only increased in line with inflation since 2007 and the skills fee element has not increased since the scheme started.
2) An all inclusive payment scheme. This option mirrors payments made by Independent Fostering Agencies (IFA's). This option was unpopular with many carers who felt it did not reflect the individual need of each child in care who have their own specific needs.
3) A payment model which comprises fostering rates plus skills fee plus additional allowances which can be claimed if required.

Background Papers: The consultation document is attached and has been distributed to all foster carers - Proposed Business Model, April 2015

Published Works:

Affected Wards: Citywide

Colleague / Councillor Interests:

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: N/A

Equality: EIA not required. Reasons: This decision will not affect service delivery

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 03/07/2015

Advice Sought: Legal, Finance

Legal Advice: Advice has been provided by Kathryn Thomson but added to the system by Gordon Clow as Kathryn Thomson does not have access to the DDM system. Advice provided by Gordon Clow (Acting Team Leader) on 10/06/2015.
Advice documents: DDM - legal advice 10.06.15.docx

Finance Advice:

See attached.
Advice provided by Stephen Lynk (Finance Analyst) on 19/05/2015.
Advice documents: Amendment to foster care rates.doc

Signatures

David Mellen (Portfolio Holder for Children's Services)
SIGNED and Dated: 25/06/2015
Alison Michalska (Corporate Director for Children and Adults)
SIGNED and Dated: 25/06/2015

**NOTTINGHAM CITY INTERNAL FOSTERING
SERVICE**

PROPOSED BUSINESS MODEL

APRIL 2015

Following an extensive consultation process, the following model has been agreed for Nottingham City Fostering Service for implementation from 01.04.15.

Fostering - Base Allowance

0 – 4 years	£126 / week
5 – 10 years	£140 / week
11 – 15 years	£162 / week
16+ years	£189 / week

Fostering - Supplementary Allowance *based on the needs of the child*

Probationary Period	£50 / week
Core	£90 / week
Enhanced	£175 / week
Complex	Bespoke Package

- NB – *This is an increase of £10 per week across the board*

Fostering - 11-plus Supplement

All placements for children aged 11-plus: £50 / week

Definitions:

Probationary Period

- Ends after 40 weeks of caring / from the date of the first child being placed, and a recommendation from a Supervising Social Worker (SSW).
- Foster Carers will be expected to have completed all mandatory training.

Core Placements

- Children and young people who have needs that are generally exhibited or displayed by the majority of children and young people currently in care, regionally and nationally, including needs around separation, loss and trauma. Their behaviour difficulties are similar to those generally exhibited or displayed by the majority of children or young people currently in care, including low level behavioural difficulties linked to neglect and abuse.
- Foster carers will be expected to have completed all mandatory and appropriate training to manage these behaviours.

Enhanced

- Children who have needs that are not so generally exhibited or displayed by the majority of children or young people currently in care regionally or nationally. They have behavioural difficulties that need more support, care and supervision relative to the majority of children or young people currently in care. Some specialist expertise and specific experience may be required along with additional support.
- Foster carers will be expected to have completed all mandatory and appropriate training to manage these behaviours; have previous experience of being a foster carer or managing difficult behaviours in another setting; be able to support children who have experienced abuse / neglect and the behaviours associated with these experiences.

Complex

- Children or young people who have needs that are complex and challenging relative to the majority of children and young people currently in care, regionally and nationally. Their behaviour difficulties can only be managed through the provision of specialist experience and expertise and services aimed at the child's individual needs.
- Foster carers will be expected to have completed all mandatory and appropriate training to manage these behaviours; have significant experience of being a foster carer and managing difficult behaviours; be able to support children who have experienced significant abuse / neglect and the complex behaviours associated with these experiences.

Allowances

The weekly allowance includes payment for the following:

- Food, including school lunches
- Clothing and School Uniform
- Toys and play equipment
- Magazines and comics
- Family days out
- Contribution to household bills / rent / insurance etc
- Bedding and replacement bedding
- Christmas and birthday presents
- Bus pass / Bus fares
- Pocket Money / Weekly Savings of £5 per week minimum
- Toiletries and cosmetics
- Sports and Leisure activities
- Childcare costs relating to foster carer's work commitments
- Disturbance

AGE	Weekly Pocket Money (Minimum)
0 – 4years	
5	£1.50
6	£1.75
7	£2.00
8	£2.25
9	£2.50
10	£2.75
11	£4.00
12	£4.40
13	£4.75
14	£5.10
15	£5.45
16+	£5.85
16+ (if in further education or not eligible for benefits)	£15.70

Additional allowances that Foster Carers are able to claim for are:

- Respite – foster carers to be paid for 54 weeks per year if they do not have a period of respite without the children, or to be paid 52 weeks per year and have up to 2 weeks paid respite.
- Childcare costs relating to Nottingham City Council business or exceptional circumstances relating to the child's needs, up to a maximum of fifteen hours nursery costs per week.
- Mileage for contact, education and medical support.
- Bus fares / bus pass for children who attend an education provision outside on Nottingham City boundaries (only the cost above the price of a Nottingham City Transport bus / bus fares).
- Taxis, in exceptional circumstances, for a time-limited period (e.g. while a new school place is sourced).

- Parking costs relating to Nottingham City Council Business.
- Initial clothing allowance, in exceptional circumstances. *Rates to be revised.*
- School Uniform, where the child has to change school as a result of a placement change.
- School trip (one per year, maximum of £500)
- Laundry and incontinence, in exceptional circumstances, for a time-limited period.
- Equipment as assessed by the SSW that is required in relation to Health and Safety or the individual needs of the child.
- Personal care; strive and achieve; contact outside of City boundary; life story work: all as per current arrangements.

Terms and Conditions

- Carers specify pre-school, primary or secondary age children.
- Initial and ongoing assessment of need, including:
 - Assessment of the child / young person
 - Monthly written reports submitted to Supervising Social Worker
 - Attendance at meetings and reviews relating to the child / young person
- 14 days respite each year allowed but carers are to be encouraged to take children away with them wherever possible.
- Both carers are able to work when children are in school and this does not compromise the care of the children.
- Absconding and Offending - *expectations*
 - Collect and return a child who is missing / absconding and return them to the placement
 - Attendance at court to support the child / young person
 - Attendance at Police Stations and undertaking the role of appropriate adult
- It is expected that you will provide a 28-day notice period to be given to end any placement, unless there are safeguarding concerns that prevent this.

Training Package

Please see attached Training Standards.

Support Package

The support package for foster carers includes:

- Foster Care Business Meeting with guest speakers / attendees (e.g. Virtual School Headteacher, Placements Service).
- Two Foster Care Events annually.
- Supervising Social Worker visits (monthly) and a SSW present when child placed.
- Buddy system: linking foster carers together to provide support to each other with placements / behaviours, information and respite.
- Telephone support: 5pm – 9pm service run by the fostering service to support carers.
- Going the Extra Mile (GEM) Awards scheme to be extended to include Foster Carers. This would be to recognise carers who go above and beyond, celebrating excellence and commitment.
- Fostering Networks Support.

DELEGATED DECISION MAKING

LEGAL ADVICE – FOSTER CARER PAYMENT SCHEME

Legal advice was sought in connection with the proposed amendments to the foster carer payment scheme as mentioned in the attached documents.

There have been a number of significant judgments regarding foster carer allowances, notably *R (L and others) v Manchester City Council* (2002) 1 FLR43, and *R (ota X) v London Borough of Tower Hamlets* (2013) EWCA Civ 904. If a local authority decides to depart from the statutory guidance in relation to payments to foster carers it must be able to establish cogent and permissible reasons for so doing. Otherwise the local authority will be open to challenge and this can be costly. The national minimum standards clearly provide for an additional payment to foster carers on top of the basic national minimum fostering allowance.

The statutory guidance is clear that the actual level of allowance that any foster carer will receive must depend on a number of factors but in particular the specific needs of an individual child. There are significant elements of fostering allowances which are not covered in the national minimum allowance but which will apply to the majority of foster carers and fostering providers have to consider how best to meet these costs in their payments to their carers. Systems must be able to respond promptly to a range of circumstances including necessary additional costs and emergency placements. It is good practice for allowances and fees to be presented separately.

It is important to recognise that a change in the legal nature of a placement can affect entitlement to financial support and allowances to, for example, special guardians must have as their starting point the local authority's core fostering allowance. The Tower Hamlets case confirmed that the distinction between allowances (which reflect the cost of providing for the needs of the children) and fees (which are a form of remuneration for foster carers) is important. Similarly allowances and fees paid to family foster carers should not be less than those paid to their unrelated colleagues. The Tower Hamlets policy was criticised by the court for lacking clarity as between allowances and fees.

Kathryn Thomson
10 June 2015

FINANCIAL OBSERVATIONS

DELEGATED DECISION - FOSTER CARER PAYMENT SCHEME

This decision requires approval to:

1. Change the existing internal foster carer rates payment as set out in the attached **appendix 1**.
2. Spend an increased cost of this change in Year 1 between £0.102m and £0.357m as per **Table 1**; this is based on:
 - The current split of children in internal and external foster carers and
 - An estimated average rate of between £350 and £375 for internal foster carers commencing 1 April 2015.

This additional cost would need to be funded from within the existing Foster Carer payments budget.

3. Spend an estimated £0.045m on training new foster carers. This will be contained within the current training budget of £0.074m.

This decision requires the noting of:

4. The financial benefits of this change set out in **Table 2** below which will impact on the achievement of the Medium Term Financial Plan.

Background

The current budget for internal foster carer payments is c. £3.5m. This placement provision, in a majority of cases, provides greater value for money for the Local Authority and can provide an improved experience for the child.

A reduction in internal foster carers has resulted in an increase in the use of external placements which are significantly more expensive. For example on average, external fostering is £700 a week and external residential is £3,500.

In 2014/15 this situation has resulted in an under spend in internal fostering of £0.500m which has been used to mitigate some of the increased costs on external placements.

Proposal

This proposal sets out to increase places and scope of internal foster carers by introducing a new pay scale that will enable more complex children to be placed with them.

The current average internal foster carer rate is £340 per week; this proposal is looking to increase all carers rates by £10 per week and introduce supplement for 11 plus children equating to a minimum rate of £350 per week.

Based on the allocation of the current cohort across age ranges it would be prudent to assume that if half of the current cohort were above 11 they would receive a further £50 per week and therefore the average rate would be £375 per week maximum (£350 plus (£50/2)).

Modelling – As Is of foster provision

Currently 410 children are placed in foster homes, 54% in external (221), 46% in internal (189). The cost of implementing this proposal based on average rates (as noted above) and on the current cohort, is estimated to cost between £0.102m - £0.375m per annum. This is set out in **Table 1** below:

TABLE 1: PROJECTION OF COSTS								
	Current Position				New Rates – Minimum Average		New Rates – Maximum Average	
	CiC's		Avg. rate pw	Yearly cost	Avg. rate pw	Yearly cost	Avg. rate pw	Yearly cost
	No's	%	£	£m	£	£m	£	£m
Internal Foster Carers	189	46	340	3.470	350	3.572	375	3.827
External Foster Carers	221	54	700	8.354	700	8.354	700	8.354
Total	410			11.824		11.926		12.181
Increase/(decrease) in cost						0.102		0.357

The assumption in these calculations are that payments are based on a 54 week year and for 2015/16 there would be no increase in external foster carers rates.

The funding of the additional cost of between £0.102m- £0.357m will need to be contained within the foster carers payment budget however, this will create a risk in 2015/16 of mitigating any over spends on other placements types generated from increases in complexity and demographic growth.

Modelling – Change in mix of foster provision

By implementing the new payment rates, it is estimated that the mix of placements between internal and external foster carers will change over the next 3 years, with only 40% being placed in external foster care (164) and therefore estimating a reduction in the cost of placements by £0.733m - £0.976m by 2018/19.

This estimate is based on the current Children in Care numbers and does not assume any growth in that cohort. For each child that transfers from external to internal fostering this could save between £17,550 - £18,900 per annum.

The financial modelling of the saving estimated over the next 3 years is set out in **Table 2** below.

TABLE 2: MODELLING

	Year 1 – 2016/17				Year 2 – 2017/18				Year 3 – 2018/19+			
	CiC		Min rate	Max rate	CiC		Min rate	Max rate	CiC		Min rate	Max rate
	No's	%	£m	£m	No's	%	£m	£m	No's	%	£m	£m
Internal Foster Carers	205	50	3.875 (350)	4.151 (375)	226	55	4.271 (350)	4.577 (375)	246	60	4.649 (350)	4.892 (375)
External Foster Carers (£700 per week)	205	50	7.749	7.749	184	45	6.955	6.955	164	40	6.199	6.199
Total	410		11.624	11.900	410		11.226	11.532	410		10.848	11.091
Increase/ (decrease in cost			(0.200)	+0.076			(0.598)	(0.292)			(0.976)	(0.733)

Monitoring

The monitoring of the achievement of this proposal will be incorporated into the Children's Big Ticket monitoring and the savings aligned to achieving the requirements in the Medium Term Financial Plan.

Steve Lynk - Finance Analyst

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18 May 2015