

CABINET

18 October 2022

REVIEW OF FOSTER CARER ALLOWANCES

Report of the Portfolio Holder for Education and Children's Services

Strategic Aim:	Sustainable Lives	
Key Decision: No	Forward Plan Reference: FP/080722	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor David Wilby, Portfolio Holder for Education and Children's Services	
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Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet:

- 1) Approves the increased fostering allowances for all foster carers in line with cost-of-living increases.
- 2) Approves the increased retention bonus for foster carers, and to include staying put carers within the retention bonus scheme
- 3) Approves the introduction of an increased placement supplement for children with particularly challenging needs.
- 4) Approves the introduction of a professional foster carer payment for those caring for our hardest to place children.
- 5) Approves that foster carers can access the Employee Assistance Programme and approves a housing costs contribution of £1000 to Rutland County Council foster carers.
- 6) Recommends the Fostering Friendly Policy, which will support RCC employees who wish to become foster carers, is submitted to the Employment and Appeals Committee for approval.

1 PURPOSE OF THE REPORT

- 1.1 To inform Cabinet of the review of fostering allowances and seek approval for a range of measures designed to increase the number of Rutland County Council foster carers.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 We know from national data and academic research that children and young people who are looked after by the local authority can be at risk of poorer outcomes than their peers who are able to remain at home with their families; for example, young people who have been in care are more likely to leave school with fewer qualifications, and they also have a higher risk of offending, and of not being engaged in education, employment or training.
- 2.2 Corporate parenting was first enshrined in legislation through the Children's Act (1989). Although it does not have a formal legal definition, it is commonly understood to mean that officers and elected members of the local authority have a responsibility to take the same interest in the progress, attainments and wellbeing of looked after children and young people as a reasonable parent could be expected to have for their own children.
- 2.3 Foster carers are the key to opportunity for vulnerable children, who have experienced significant harm and have gone through the trauma of being separated from their family. The opportunity to live a happy, fulfilled and enriched life within a family environment significantly increases their chances of positive outcomes and paves the way for a successful adult life, where they have the opportunity to reach their full potential and succeed in the areas that are important to them. It can mean breaking generational cycles of trauma and abuse. Investing in good foster carers not only saves money now, but also invests in the future generation.
- 2.4 In Rutland, we have 11 approved foster carer households and 1 which is at assessment stage for a connected family placement. We do not currently have any mainstream fostering assessments.
- 2.5 We currently have 27 looked after children, but only 9 of these are placed with our own foster carers. Remodelling of the financial and wider holistic support package we offer our foster carers is the only way to increase recruitment to our internal fostering community and ensure that Rutland County Council has a system of support for foster carers which can rival the pull of external, independent providers.
- 2.6 External placements rarely fully meet the needs of a child, especially those in residential settings and are of significant financial burden to the local authority. One of our residential placements alone costs approximately £283k per year.
- 2.7 Connected is the Fostering Friendly Policy (appendix A) which will support RCC employees who wish to become foster carers. If approved, we will then be able to use official Fostering Network branding across all advertising and channels as a 'Fostering Friendly' employer. This is important as we want to work with our local business community to encourage them to support their employees who may wish to become foster carers.

3 FOSTERING ALLOWANCES REVIEW

- 3.1 The review of fostering allowances and support has shown that whilst we pay fostering allowances in line with the Fostering Network recommended levels, we are not keeping pace with neighbouring Local Authorities or independent fostering agencies.
- 3.2 There has been no increase in fostering allowances since 2018 against a backdrop of increased living costs and significant rising costs in the provision of external placements.
- 3.3 This has meant some foster carers have left RCC and we are seeing increased difficulty in recruiting new foster carers and competing with independent fostering agencies. This is resulting in insufficient internal foster carers to meet the needs of Rutland children.

4 PROPOSED ACTIONS

4.1 Increase fostering allowances for all foster carers in line with cost-of-living increases.

- 4.1.1 All allowances paid to foster carers to increase by 7% in line with inflation for 22/23. This is based on Bank of England rates as of April 2022. There will also be backdated inflation to cover years 2018 to 2021 at 6.3%. This in effect means the first increase will be 13.3% for fostering allowances.

4.2 Increase retention bonus for foster carers, and to include staying put carers within the retention bonus scheme.

- 4.2.1 One off increase from £200 to £300 of retention bonus payment, extra £100 to be paid for this year only and to acknowledge lack of fostering allowance increase for 4 years. Revert back to £200 in 2023.

4.3 The introduction of specific placement supplement

- 4.3.1 Where the local authority considers the behaviours/needs of the child require additional expenditure, pay an enhanced rate of £270.00 per week. This payment is intended to supplement carers need for employment so they can care for the child whilst they are unsettled. If behaviours have settled, this payment can cease as the carer can consider part time employment should they want to and should be reviewed on an individual basis.

4.4 Introduction of a professional foster carer role for our hardest to place children.

- 4.4.1 Enhanced payment of £1,000 weekly to be paid to a professional foster carer role. This will attract professionals who have the skills to meet the needs for a child but who would not be able to afford to leave work. The payment is intended to match the average salary of a child psychologist/play therapist/senior social worker/teacher (approx. £826 pw/£43 per annum, plus additional payment month for this being a role

within a family home). The total cost to the local authority would be approximately £52k per annum (excluding basic allowances) per placement and would only apply if there is a child who would otherwise be placed in a high-cost external placement.

There would be specific and very clear criteria for these placements. They would need to have either: a degree level qualification in a relevant subject area OR extensive experience as a foster carer with evidence of relevant and continued training OR extensive experience in a relevant role i.e., one to one specialist teaching assistant. These carers would be subject to the review process each year to ensure they continue to meet the standards required. These would only be paid for specific placements and would attract new carers as well as development opportunity to our current carers.

4.5 Additional benefits of being RCC foster carer.

- 4.5.1 All RCC foster carers to have access to our employee wellbeing service and access to counselling services. In addition, all RCC foster carers will receive a fixed contribution to housing costs.

5 CONSULTATION

- 5.1 The Fostering Friendly Policy for RCC employees has been shared with Unison who are supportive. It will be recommended for approval to Employment and Appeals Committee in November.

6 ALTERNATIVE OPTIONS

- 6.1 Do nothing and retain allowances as is. This would not address the need to recruit more foster carers to meet the needs of Rutland children and would mean that the Council will remain reliant on external, independent provision which is more costly.

7 FINANCIAL IMPLICATIONS

- 7.1 The review of fostering allowances/service does represent some budget pressure and it is important to note that this is also an invest to save strategy in the longer term (Appendix B). Budget pressures in relation to the revised package of support for foster carers are:

- **Increase fostering allowances for all foster carers in line with cost-of-living increases** - The overall pressure is £29,263. The impact to the councils MTFP will be a pressure of £21,090 in 2022/23 and a further pressure in 2023/24 of £8,173 due to the current forecasted rate of inflation at 6% (Bank of England, April 2022). There will be no pressure in future years as the MTFP incorporates 2% inflation on budgets and forecasted inflation is 2% between 2024/25 and 2027/28, allowing costs to be contained within the current MTFP inflation projections.
- **Increase retention bonus for foster carers, and to include staying put carers within the retention bonus scheme** - total cost is £1900 for 2022/23. If staying put carers continue to receive a retention bonus next year, then there will be an additional cost of £800 per year.
- **The introduction of specific placement supplement** – no immediate financial implications as no current CLA qualifies for this enhancement. If a child was to qualify for the enhancement there would be a weekly payment of £270 per week which

equates to approximately £14k per year. If the enhanced rate was paid to the highest cost in house placement, then this would cost approximately £39k for one year. There would still be cost avoidance of £11k which is 22% cheaper than an average Independent Fostering Agency.

- **Introduction of a professional foster carer role for our hardest to place children** - the cost of a professional foster carer would be based upon two components:
 - a) £1000 per week (enhanced fostering allowance) = £52k per year
 - b) Basic allowance (£164.92 - £283.22 per week) depending on age of child – this would be £13121.36 for a 11–15-year-old.

The total cost for one year for recruiting a professional foster carer and matching to a 11–15-year-old would be approx. £65k. This is a long term invest to save option. It is likely the council's current residential placements will remain on a long-term basis due to the complexity of needs and age of children. If recruitment and training is successful, it is likely that one to two future complex placements could be matched with a professional foster carer, preventing additional costs to the council. Currently, if the lowest cost residential placement was matched with a professional foster carer, there is a potential cost avoidance of £108k per year. If there is also a match for the second lowest cost placement, there will be a further cost avoidance of £117k per year. This would represent a cost avoidance of £225k per year on two complex care placements.

- **Additional benefits of being RCC foster carer** - There are currently 11 active fosters who would qualify for a council tax contribution – cost £11k. This would rise to £20k if we hit our target of having 20 RCC foster carers. Employee Assistance Programme currently costs £6.80 per person, so this would cost £136 for 20 registered foster carers per year. There have been 3 foster carers who have left in the past 12 months, with 2 foster carers expressing the need for more mental health support.

7.2 No financial implications for implementation of Fostering Friendly Policy.

8 LEGAL AND GOVERNANCE CONSIDERATIONS (MANDATORY)

8.1 The Fostering Friendly Policy would need to be approved by the Employment and Appeals Committee.

9 DATA PROTECTION IMPLICATIONS

9.1 A Data Protection Impact Assessments (DPIA) has not been completed.

10 EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment has not been completed as it is not deemed relevant to this report.

11 COMMUNITY SAFETY IMPLICATIONS

11.1 None identified

12 HEALTH AND WELLBEING IMPLICATIONS

- 12.1 It is intended that the enhanced package of support for foster carers will enable the Council to recruit a sufficient number of foster carers to meet the needs of Rutland children. This will be beneficial to the experience of children requiring care outside of their birth family and create the conditions for children to experience safe and successful lives.

13 ORGANISATIONAL IMPLICATIONS

- 13.1 Human Resource implications - The Council wishes to support foster carers who are in our employment. On approval of our policy, Rutland will achieve Fostering Friendly Employer status. We recognise and value the contribution that foster carers make to society and especially the lives of children in care. We understand that foster carers who do other work in addition to fostering, need some flexibility in their working arrangements to meet the needs of their foster child.

14 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 14.1 The proposals within this report are not likely to affect the current cohort of children in our care. However, these proposals are an investment in the future children in Rutland who require care outside of their family, to enable them to live locally and maintain important relationships and support.
- 14.2 Financially, the proposals are an invest to save strategy for the medium to long term and a local response to a national placements system that is currently not fit for purpose. By increasing our own foster carer community, not only will we meet children's needs better, but crucially, these proposals are intended to 'future proof' against the continuing rising placement costs incurred through the use of the external, independent placements market.
- 14.3 Whilst the cost benefits may not be seen for 3 years or more, this could be earlier if we recruit more foster carers and have new children coming into care earlier who we are able to match with our internal foster carers.
- 14.4 It is recommended that all proposals are approved by Cabinet in order that Rutland County Council can market itself competitively with other Local Authorities as well as the independent sector.

15 BACKGROUND PAPERS

- 15.1 No additional background papers.

16 APPENDICES

- 16.1 Appendix A – Fostering Friendly Policy

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.