

Title of meeting: Cabinet Member for Children's Social Care

Date of meeting: 7th July 2016

Subject: Allowances and Skill Fees Review

Report by: Sarah Newman - Deputy Director of Children's Services - Safeguarding

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

1.1 The purpose of this report is to provide the Cabinet Member with an update, following a review of the allowances and skills fees for foster carers, staying put, family link and lodgings plus carers; and to seek approval to implement the revised policy (which includes the scale of allowances & fees table) at Appendix 1.

2. Recommendations

2.1 It is recommended that the Cabinet Member:

(a) Approve the revised policy (including the scale of allowances and fees table) at Appendix 1, with effect from 01 August 2016, and specifically note the following key changes:

- i.** The proposal to amend the Level 3 skill fee, in order to introduce a flat rate skill fee of £300 across all age bands.
- ii.** The proposal to adjust the holiday, birthday and festivity allowances, in order to bring them in line with the Standard Fostering Allowance (SFA). The 'annual school holiday' allowance will be equivalent to two weeks of the SFA, whilst the Birthday & Festivity Allowance will each be aligned to the equivalent of one week SFA.
- iii.** The proposal to introduce a new payments scheme for Parent and Child placements, which is aligned to the fostering and 'lodgings plus' payment rates.
- iv.** The expectation that Disability Living Allowance will be used to meet the extra costs of caring for a disabled child.
- v.** The inclusion of the 'Staying Put' allowances within the revised policy document.

(b) Agree that for Level 3 carers who are currently caring for children between the ages of 0 and 10, they will continue to receive the current Level 3 fees for those children currently in placement, whilst they continue to care for them,

until they reach the age of 11. Any new placements with these carers would be undertaken at the new rates.

- (c) Agree that foster carers will receive the child savings amount within their weekly payment and that they will now be expected to set up the child bank accounts and ensure that the savings are appropriately deposited for the children in their care.
- (d) Agree that the Deputy Director of Children's Services - Safeguarding in consultation with the S.151 officer, may adjust the Standard Fostering Allowance in line with changes to the Government Minimum Fostering Allowance - South East; having consulted with carers.

3. Background

- 3.1 In line with the 'National Minimum Standards for Fostering Services'¹ (NMS), the Council is required: *'to ensure each foster carer receives at least the national minimum allowance for the foster child, plus any necessary agreed expenses for the care, education and reasonable leisure interests of the child, including insurance, holidays, birthdays, school trips, and religious festivals etc., which cover the full cost of caring for each child placed with her/him'*.
- 3.2 In addition, the NMS requires the Council to have a clear and transparent written policy on payments to foster carers, which sets out the criteria for calculating payments and distinguishes between the allowance paid and any fee paid.
- 3.3 On the 15th October 2015, the Cabinet Member approved phase one of the changes to the fostering allowances, which created a new 'Standard Fostering Allowance' in line with Government Minimum recommended rate for the South East. In order to mitigate any detrimental impact from this change, Level 1 had an additional skill fee to bring the level of payment up to the Fostering Network Rate at that time; in recognition of the additional training and responsibilities required by foster carers.
- 3.4 The changes proposed within this report, build on the proposals approved by the Cabinet Member on the 15th October 2015. In line with the statutory requirement to annually review allowances and fees, a consultation on the proposals contained within this report, was undertaken with carers from the 1st February 2016 to 1st March 2016. During this period carers were given the opportunity to meet with officers at specifically arranged meetings and to provide feedback on the proposals. The responses to the consultation have been summarised at Appendix 2.
- 3.5 The proposals contained within this report seek to ensure that the recruitment of foster carers, staying put carers, family link and lodgings plus carers for Portsmouth children and young people, continues to be effectively promoted by approving a legally compliant and competitive financial support package; ensuring Portsmouth City Council remains competitive in the market place. The full policy is attached at Appendix 1.

¹ Fostering Services: National Minimum Standards, Department for Education

4. Proposed Changes

4.1 The key changes proposed to the allowances and skill fees policy, as well as the associated payment rates, is explained in the sections below.

Fostering Allowance & Skill Fees

4.2 Currently under the existing fee structure, level 3 carers who care for teenagers are financially disadvantaged compared to level 3 carers who care for younger children. It is proposed to amend the existing Level 3 skill fee and introduce a standard 'flat' fee of £300 across all age bands. This will also bring the Council more in line with Hampshire County Council's current level 3 fee and help to ensure that the Council continues to remain competitive and attractive, to both our existing and prospective foster carers. The table below shows both the current and proposed rates.

Age band	No. of children placed with level 3 carers*	Current Level 3 Fee £	Proposed Level 3 Fee £
0 - 4	6	326.26	300
5 - 10	25	337.21	300
11 - 15	29	298.06	300
16 - 17	12	251.91	300

* as at February 2016

4.3 As shown in the table above, there were 72 children who were in placements with level 3 carers in February 2016. It is recognised that the carers with children aged 0 to 10 would see a reduction in their weekly payment as a result of proposed changes. Therefore in order to avoid a reduction in the weekly financial payment to carers who are currently looking after children in this age category and to avoid any potential disruption to these existing placements, it is recommended that these carers receive transitional protection.

4.4 It is therefore proposed that for Level 3 carers who are currently caring for children between the ages of 0 and 10, they would continue to receive the current Level 3 fees for those children currently in placement, whilst they continue to care for them, until they reach the age of 11. Any new placements with these carers would be undertaken at the new rates. Based on the analysis of the carers and children as at February 2016, this proposal would affect 31 children and 24 carers.

4.5 No changes are proposed to the Standard Fostering Allowance (SFA) or the Level 2 skill fees. However, small adjustments are required to the level 1 skill fee payments to ensure that the actual payments are in line with Fostering Network Rate for 2015-16 when combined with the SFA, as shown in Appendix 1.

4.6 For level 1 carers, with children aged 0-4, the level 1 fee will be increased by £2.51 to £2.86, in order to bring this in line with the Fostering Network Rate of £142.86, when combined with the SFA, whilst the "fee enhancement" will be reduced by £2.51 to £27.94, to keep the overall payment to these carers at the same level.

Holiday & Festivity Allowances

4.7 Within the allowance scheme, there are a range of one-off payments for holidays, birthdays & festivities. It is proposed that these allowances are adjusted to bring them in line with the Standard Fostering Allowance (SFA). The 'annual school holiday' allowance will be equivalent to two weeks of the SFA, whilst the Birthday & Festivity Allowance will be aligned to the equivalent to one week SFA.

Age band	Current Annual School Holiday Allowance £	Proposed Annual School Holiday Allowance £	Current Birthday & Annual Festivity Allowance £	Proposed Birthday & Annual Festivity Allowance £
0 - 4	285.72	280	140	140
5 - 10	325.45	312	160	156
11 - 15	405.16	354	201	177
16 - 17	492.88	416	244	208

4.8 The Annual School Holiday allowance will continue to be divided into two parts and paid automatically at the beginning of the Easter and Summer Holiday. The Birthday & Annual Festivity allowance will continue to be paid two weeks prior to a child's birthday and again during the first week of December.

Parent & Child Placements

4.9 We have taken the opportunity as part of the wider review of fostering allowances to align the payments for Parent and Child placements to the proposed fostering and 'lodgings plus' rates. At the time of writing this report, there were only two Parent and Child placements and the changes proposed would reduce the cost of these placements by £46.09 per week to £950.54.

4.10 The new proposed payment scheme for Parent and Child Placements can be found in section 27 of the attached policy at Appendix 1.

Other changes

4.11 Within the attached policy, there is a clear expectation that Disability Living Allowance should be used to meet the extra costs of caring for a disabled child.

4.12 Costs covered within the standard fostering allowance have been amended to include uniform for a new school when the child has been in placement for six months. This recognises that as the fostering allowance covers the replacement of school uniform, six months will be sufficient time to save an element of the clothing allowance for the new school uniform.

4.13 Other rates, such as the Day Care and Foster Carers Leave rates have also been updated as they are linked directly to the Foster Care Allowances and Fee rates.

5. Child Savings

- 5.1** The Council has previously deducted savings for young people from the in-house foster carer allowances and held them on behalf of the young person until their 18th birthday, which resulted in a number of large amounts of money being accrued for young people.
- 5.2** Learning from this scheme has informed the current proposal to allow foster carers to set up bank accounts for young people, who then manage these accounts across their minority through to independence, accessing their savings as and when it is reasonable to do so (see section 3 of the attached policy). Other Authorities, including Hampshire County Council already operate child savings in this way.

6. Staying Put Allowances

- 6.1** In line with the National Minimum Fostering Standards, the 'Staying Put' allowance rates have been included within the foster carers information and guidance in the policy attached at Appendix 1.
- 6.2** Allowances to carers where children have asked to remain post 18 will be aligned with the fostering scheme allowances. See section 2 of the attached policy.

7. Standard Fostering Allowance

- 7.1** In order to ensure that the Standard Fostering Allowance remains in line with the Government Minimum Recommended Rate for the South East, it is proposed that the Deputy Director for Children's Services - Safeguarding, in consultation with the Council's S.151 officer, be delegated authority to approve the necessary changes to the Standard Fostering Allowance rate; having consulted with carers.
- 7.2** With regard to the skill fees or other elements of financial support provided to carers, any proposed changes will be presented to the Cabinet Member for approval, following consultation with carers.

8. Reasons for recommendations

- 8.1** The recommendations contained within this report, seek to ensure that the Council has a clear and transparent written policy on payments to foster carers, which sets out the criteria for calculating payments and distinguishes between the allowance paid and any fee paid, in line with the requirements of the National Minimum Standards for Fostering Services. In addition, the proposals seek to ensure that the fostering service remains competitive and that carers receive an appropriate skills payment in relation to their skills and experience.

9. Equality Impact Assessment

9.1 A preliminary Equality Impact Assessment has been completed and is attached at Appendix 3. The preliminary assessment indicates that a full assessment is not required as the proposals contained within this report and the attached policy does not affect a particular equality group.

10. Legal implications

10.1 The revision to the allowances reflects the obligation upon the Authority to review the relevant foster care allowances in line with Central Government recommendations and current practice. Whilst there will always be a possibility of challenge, the current review should minimise the risk of such challenges being raised, in that the allowances are aligned with nationally recognised costings and the revised policy has been subject to consultation with carers.

11. Director of Finance's comment

11.1 The proposals contained within this report seek to ensure the recruitment of foster carers, staying put carers, family link and lodgings plus carers for Portsmouth children and young people, continues to be effectively promoted by approving a legally compliant and competitive financial support package; ensuring Portsmouth City Council remains competitive in the market place.

11.2 Based on the February 2016 cohort of carers and looked after children, the estimated financial impact of the changes to the level 3 skill fees, holiday, birthday and festivity allowances would amount to a saving of circa £(34,000) annually. With the application of the proposed transitional protection for the Level 3 carers currently caring for children aged 0 to 10, the financial impact of these arrangements would lead to an overall cost of circa £22,000 annually.

11.3 The potential additional costs arising from disruption to existing placements, both in terms of the cost of placement as well as staff resource time in the cost of recruitment and assessment could greatly exceed the additional cost of the transitional protection arrangements for the level 3 carers. For example, the additional cost of an IFA placement compared to a level 3 (0-4) in-house foster placement would be circa £18,000.

.....
Signed by: Sarah Newman, Deputy Director of Children's Services - Safeguarding

Appendices:

Appendix 1 - Portsmouth City Council - Fostering, Staying Put, Family Link and Lodgings Plus Allowances (LAC) for 2016-2017.

Appendix 2 - Responses to the consultation
Appendix 3 - Equalities Impact Assessment

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Fostering Services - National Minimum Standards, Department for Education	https://www.gov.uk/government/publications/fostering-services-national-minimum-standards
Special Guardianship Policy and Report to Cabinet Member for Children & Education, 15 th October 2015	http://democracy.portsmouth.gov.uk/ieListDocuments.aspx?CId=127&MId=3184&Ver=4
Allowances and Skill Fees Financial Modelling	Children's Finance Team

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
 Signed by: