

**Open Report on behalf of Janice Spencer OBE,
Interim Director of Children's Services**

Report to:	Councillor Mrs P A Bradwell OBE, Executive Councillor for Adult Care, Health and Children's Services
Date:	17 May 2019
Subject:	Fostering Allowances
Decision Reference:	I017422
Key decision?	No

Summary:

This report proposes to increase the Foster Care Rates by 2% for 2019/20 and in order to recognise and encourage the retention of foster carers, it is further proposed to introduce an annual retention payment for all foster carers who complete the relevant training and have a successful annual review. This approach would be open to all foster carers who are able to demonstrate acquired skills and experience during the year and would be endorsed at the annual review. It is specifically focussed on mainstream foster carers as a means of recruitment and retention.

This proposal, to apply the inflationary uplift across all age bands, will continue to attract new foster carers and the new proposed annual retention payment will help to retain existing foster carers ensuring Lincolnshire County Council remains competitive in the market.

Recommendation(s):

That the Executive Councillor for Adult Care, Health and Children's Services approves:-

- 1) the increase to the Foster Care Rates by 2% for 2019/20.
- 2) the introduction of an annual retention payment for all foster carers who complete the relevant training and have a successful annual review, as set out in Option 2.

Alternatives Considered:

Three different options have been explored and are detailed in this report.

Reasons for Recommendation:

Option 2 is the most cost effective way of offering a retention payment to foster carers. It will recognise long service, achievement and training and will both enhance the skill base of foster carers and support their retention. Option 1 would be a more costly approach and one that would be more complex to administer with such a variable range of additional payments. Option 3 would provide an additional, short term financial reward for all foster carers but is not linked to the development of foster carer skills. Option 2 offers real incentives to remain as foster carers for Lincolnshire whilst ensuring that foster carers demonstrate skills and ensure that their approach is underpinned by training and learning.

1. Background

Lincolnshire County Council looks after approximately 600 children and young people at any point in time. The Council believes that where children are unable to live with their birth family, they should be cared for within a family setting where this is possible and safe to do so. For the majority of children who become looked after in Lincolnshire, an in-house foster placement continues to be the preferred placement option. We are proud that 80% of our looked after children are placed within a fostering placement and further believe that our own foster carers, trained and supported through the Council provide good, safe care, high quality care.

Over the past 5 years, there has however been a significant change in the composition of those fostering placements in the county, with a significant shift towards children being placed within kinship (family / friend) arrangements. Such placements now constitute over 19% of the Council's foster placements for looked after children. These are often short-term arrangements prior to the child becoming subject to a Special Guardianship Order.

The fostering service welcome this diversity of provision but the service must continue to ensure that there are sufficient alternative placement options for those children where a kinship option is not viable. Recruitment of foster carers as a result has been targeted on those harder to place groups, adolescents, sibling groups and children who require long term care. The service runs a dedicated recruitment team responsible for the delivery of this recruitment plan and responsible for all related assessment and retention activity. This dedicated approach has resulted in the recruitment of 27 foster carers in 2016/17 and 16 foster carers in 2017/18. The projected recruitment figure for 2018/19 is 30 foster care families.

Lincolnshire has benefited from foster carers who have very much seen fostering as part of their lifestyle and a source of secondary income. As a result it has been common place for foster carers to exceed 25 years' service. Many of these foster carers are now retiring and will need replacing. In 2017/18 31 families ceased to foster, continuing the trend of recent years but exacerbated by the reduction in the number of new carers recruited. It is important to note that over 50% of registered foster carers are between the age of 50 and 70. In order to encourage new recruits to continue fostering on a career basis, the service will need to be refreshed in

order to incentivise carers to remain with the in-house service Council provision. The availability of foster carers is compounded by the success of the Staying Put scheme which now accounts for the placement of 45 children post 18 and a significant increase in the number of carers who require regular periods off.

Foster care is no longer provided just by Local Authorities. It is now very much a market place in which Council services have to compete with private providers. In Lincolnshire there are at least 10 independent fostering agencies which are active and this year has seen more direct activity with regard to recruiting in County. Several foster carers have left the service of the Council to foster for these independent agencies. In addition to this, the County faces competition for the pool of foster carers from other local authorities. Lincolnshire has a boundary with 8 other local authorities, many of which offer an enhanced offer to foster carers when compared to the current Lincolnshire scheme. In order to ensure that we are able to continue to not just recruit, but retain high-calibre foster carers, who can meet the needs of our looked after population, we need to re-examine the way that we reward them so that we remain competitive.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has regularly placed Lincolnshire as one of the most cost effective fostering service in the country. In 2017/18 foster placements in Lincolnshire “costed” £388 per week whereas equivalent independent placements were costed at £905. The differential therefore, for a child placed in house equates to £26,967 per annum and reiterates the importance of maintaining the current ratio of in house placements.

This is an ideal time to review and refresh the Council’s offer to foster carers to compete, not only with independent fostering agencies, but with other local authorities. The proposal is to introduce a system which will:

- Incentivise foster carers to remain with the Council long-term.
- Encourage a well-trained and active foster care workforce.
- Provide long-term benefits to young people, the County and the wider community by enhancing educational achievements, enabling more care leavers to engage in employment and training, reduce reliance on benefits, reduce the need for health services, including mental health services, reduce criminality, and drug use.

Currently, the Council has an agreed rate of allowances for foster carers based on the age of the child placed. Enhanced payments are made available for children who are looked after long-term, are remanded or placed in an emergency, or those with additional needs. The agreed or mainstream rates have been subject to a 2% increase annually over the past 5 years. This has ensured that Lincolnshire has remained ahead of the Government recommended minimum allowances. For 2018/2019 these are:

	Government £ per week	Lincolnshire £ per week
Pre-Primary	130	138.67
Primary	143	157.64
Secondary	164	196.01
16+	191	238.32

However, these allowances are less generous than those offered by some of the counties that border Lincolnshire, especially when reward for skills schemes are taken into account. This makes both other Local Authorities and Independent agencies potentially attractive alternatives for prospective foster carers. To date, the service has always been able to respond flexibly to enable children to be placed in foster care. This may result in additional payments for a child with disabilities, or additional payments to a family who have a child who requires regular involvement in physical activities. However for the first time we have seen a small number of foster carers move to the independent sector, attracted by offers of greater allowances and better wrap around support.

There are a plethora of payment systems in place for foster carers across the country. The majority of these comprise the payment of an allowance plus an additional fee, which is based on experience and training. Fee-based schemes also recognise and value the skills of foster carers, rewarding those who have demonstrated greater skills and undertaken training and professionalising the approach to foster caring. Some schemes are complex and difficult to administer, with a range of tiers and related payments which some carers have considered to be divisive. Those schemes that appear to be the most effective are relatively simple, and although in essence identified as skills based could better be described as incentives for participation in training and longevity.

A number of options have been explored for Lincolnshire:

1. The introduction of a skill based, tiered payments system.
2. The introduction of a retention payment based on availability and training.
3. An enhanced annual uplift.

These options are outlined below and are subject to an option appraisal.

Option 1

- The introduction of a skill based, tiered payments system.

This system would take the agreed annual fostering allowances as the starting point and enhance them with an additional payment based on carer experience, training and commitment to children. All foster carers would be required to compile a portfolio to evidence learning and how it has benefited children in their care.

Benefits

This would be open to all foster carers. It would recognise the importance of training and inform foster carer's practice. It would promote the professionalization

of fostering. It would introduce a variety of tiers which foster carers could aspire to attain. It would offer a variable payment structure and promote foster carer retention.

Disadvantages

It would be expensive and complex to administer. It may raise the expectation that all foster carers at tier 2 are able to manage the more complex children. It will require a process for agreeing elevation to the next tier and potentially dissatisfy foster carers who are unsuccessful.

Option 2

- Retention Payment. This is the recommended option.

This system would introduce in addition to the annually agreed uplift for foster carers, a retention payment. The payment would recognise longevity, experience and training and provide a one off annual payment to all foster carers who provide a portfolio of learning, provide an agreed number of days fostering per annum and have a successful annual fostering review. The retention payment would rise in line with duration of service.

This approach would be open to all foster carers who are able to demonstrate acquired skills and experience during the year and would be endorsed at the annual review. Should this option be approved, work would be undertaken on the more detailed criteria. One off payments would be made each year as follows:

Years 1 - 5	£500 payment
Years 6 - 10	£1000 payment
Years 10+	£2000 payment

Benefits

This would be open to all foster carers. It will support the recruitment and retention agenda. It will reward training, experience and availability. It will promote learning and build upon the Training, support and development standards. It will provide an attractive one off payment and be simple to administer.

Disadvantages

It will have a financial impact on the Council which is set out in the following table:-

Table - Loyalty and length of service costing:

Years' service as a foster carer	£ per year (Annual one-off payment)	No. of Foster carers	Total £
1 to 5	500	82	£41,000
6 to 10	1,000	62	£62,000
10+	2,000	69	£138,000
Grand Total			£241,000

In summary, implementation costs of this model would be in the region of £241,000 which can be met from within budget. This is in addition to the 2% annual uplift which costs £165,432 to implement.

Option 3

- An enhanced annual uplift.

The Authority has been able to support an annual uplift of 2% which has enabled fostering allowances to remain ahead of the Government minimum rates. An increased rate of 5% or 10% would further improve that differential.

Benefits

This would be straightforward to administer and build upon the current system. It would give a headline figure that may support foster carer recruitment and retention in the short term

Disadvantages

This approach is a one off and does not change the basis of future foster carer payments. It does not link the enhanced allowances with availability and learning. It does not reward skills and commitment and would only serve as short term selling point.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

* Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.

* Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

* Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

* Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.

* Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.

* Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

The proposal is extended to all foster carers and will offer them the opportunity to enhance their learning and skills. Online training opportunities are in place. It is likely that these proposals will impact positively for any carers who find themselves with a protected characteristic.

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision:

Promoting the recruitment and retention of foster carers is in line with the objectives within the JSNA. 80% of children looked after are placed within fostering households, most of which are in County. This affords children good access to their families, communities and enables, in most cases, continuation of education. The stability of placements for looked after children supports the Joint Health and Emotional Wellbeing priority for Mental Health and Well Being (Children and Young People).

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

Placement within a family environment is often an effective way of supporting children within their communities. For those children in foster placements, there are very few incidents of criminality. For children where the risk of involvement in criminality features, a move outside of their community into foster care may

effectively separate a young person from influences that have contributed to this and offer a base from which to make new choices.

3. Conclusion

In order to ensure that Lincolnshire remains competitive within the market, it is proposed to retain the present system of payments to foster carers and agree an annual inflationary uplift which for 2019/20 would be 2%.

In addition, and in order to recognize and encourage the retention of foster carers, the Council should introduce an annual retention payment for all foster carers who complete the relevant training, meet agreed minimum availability criteria and have a successful annual review.

4. Legal Comments:

The Council has the power to approve the introduction of retention payments for foster carers as set out in the body of the report and in the recommendation to the Executive Councillor.

The decision is consistent with the Policy Framework and is within the remit of the Executive Councillor.

5. Resource Comments:

Lincolnshire continues to be one of the most successful Local Authorities in providing value for money, as evidenced in the CIPFA benchmarking report, due to the high percentage of looked after children managed through internal foster carers. It is hoped that the introduction of retention payments will help to incentivise foster carers to remain with the in-house Council provision by recognising their long service, achievements and training. The retention of foster carers is key to ensuring continued value for money and the provision of good, safe, high quality care for looked after children. This additional cost can be met from existing fostering budgets.

6. Consultation

a) Has The Local Member Been Consulted?

Not Applicable

b) Has The Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

On 26 April 2019, the Children and Young People Scrutiny Committee considered this report and supported the two recommendations to the Executive Councillor for Adult Care, Health and Children's Services.

A key element of the Committee's discussion focused on the support provided to foster carers above and beyond the financial allowances paid to them. Whilst foster carers might receive a higher allowance working for the independent sector, many foster carers were motivated by the difference they made to the lives of vulnerable children and young people.

Several local authorities in the East Midlands operated a tiered 'payment for skills' system (Option 1) and the disadvantages of this system were further explained to the Committee: lack of choice / flexibility for foster carers; potential demotivation; and an overly-complicated payment system. The introduction of retention payments (Option 2) would be an innovative approach by Lincolnshire. The Committee requested a briefing paper on the foster allowance schemes operated in the East Midlands.

It was also confirmed to the Committee that:

- Lincolnshire County Council foster carers fostered Lincolnshire children and young people, with only a very limited number of exceptions;
- Foster carers could only be registered with one provider, so they could not work for both the local authority and independent sector;
- Independent providers were subject to registration and inspection by Ofsted.

d) Has a Risks and Impact Analysis been carried out?

Yes

e) Risks and Impact Analysis

The importance of maintaining a high level of in house foster carers is integral to business planning for Children's services. Consultation has taken place with foster carers, and from those who made direct comment, the concept of an annual retention payment was considered to be an approach that they would find attractive both in terms of reward and retention. However it is important to recognise that foster carers only regard remuneration as part of the picture and to that end, broader retention initiatives are being developed.

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by John Harris, who can be contacted on 01522 554109 or john.harris@lincolnshire.gov.uk .