

Open Report on behalf of Heather Sandy, Executive Director - Children's Services

Report to:	Councillor Mrs P A Bradwell OBE, Executive Councillor for Children's Services, Community Safety Procurement and Migration
Date:	20 - 31 March 2023
Subject:	Cost of living increase for Foster Carers
Decision Reference:	I029231
Key decision?	Yes

Summary:

The Government announced in Autumn 2022 a 12.4% uplift to the National Minimum Allowance paid to foster carers to help cover the cost of caring for a child in care. The Department for Education has confirmed that the funding for this uplift is provided through the Local Government Finance Settlement for 2023/24 through an increase in the core spending powers. The allowance is the minimum payment all fostering providers should pay to foster carers to cover the costs of caring for a child. The allowance increases with the child's age.

Lincolnshire has a strong core offer of support to foster carers and currently sit in the top quartile for payments made to foster carers across the region. There is however a national shortage of foster carers across the country and as a Council we need to continue to evidence the extent of our support to foster carers.

The Government's increase to the National Minimum Allowance is in recognition of the increased costs being faced by fostering households in caring for a child looked after by the Local Authority, and reinforces that all households should be supported financially, professionally and emotionally in the volunteering role they undertake.

Recommendation(s):

That the Executive Councillor for Children's Services, Community Safety, Procurement and Migration approves the increase of all Lincolnshire's foster carer rates by 12.4% from April 2023 in line with the Government's increase to the National Minimum Allowances.

Alternatives Considered:

1. Not to pass on the full extent of the increase and therefore increase the rates by less than 12.4%

This would be possible because the Council's rates are already above the National Minimum Allowance. This would avoid cost for the Council. However, the Local Government Finance Settlement for 2023/24 provides financial support for the 12.4% uplift to the National Minimum Allowances through an increase in funding for Council's core spending powers. It is considered important to retain the strong financial support to carers in Lincolnshire and to maintain the differential between the National Minimum Allowances.

Reasons for Recommendation:

Lincolnshire are a fostering first authority that benchmarks well against regional and national comparators. The uplift will ensure that the Council as Corporate Parent will meet its statutory duty to continue to provide financial support to fostering households in covering the basic costs of caring for a child and in meeting the needs of the children they care for. It is equitable to apply the uplift across all of the fostering age brackets and to apply to all carer households, including those that are mainstream and kinship approved carers. This will reinforce the work of the Children in Care Transformation Programme by securing the continued commitment of foster carers and enhancing recruitment and retention.

Lincolnshire fostering service demonstrates value for money and is effective in delivering an outstanding service, resulting in excellent outcomes for Lincolnshire children. This recommendation further underpins the recruitment, retention and support strategy which reflects Lincolnshire's strong position in competing with the independent market.

This recommendation is integral to reducing the need for reliance upon costly external placements, including residential care, and such a recommendation supports the Children in Care Transformation Programme ambitions. Recruitment and retention of Lincolnshire's foster carers is key to our sufficiency strategy and the priority of reducing the spend on externally commissioned placements for Children in Care. There is a substantial risk to the stability and growth of the Lincolnshire's fostering community, by not applying the stated uplifts to allowances.

1. Background:

In Lincolnshire, fostering households are often seen as the foundation of the social care system for children in care (where all efforts have been made to maintain the children within the family network) and play an invaluable role in providing loving, secure and nurturing environments where children can be safeguarded, thrive and recover from earlier trauma.

Lincolnshire are fortunate enough to have a strong kinship care offer as well as dedicated and enthusiastic families all over the county willing to open their homes and care for non-related or known children. The need to continue with this established kinship approach and strengthen practice by unlocking the family network is a broader concept from the 'independent review of children's social care' as identified by Josh MacAlister (Chair) in June 2022.

Sufficiency remains a problem, both across the independent residential and independent foster care provider market and this is unlikely to change in the short term. Recruitment and retention of Lincolnshire's foster carers is at the core of service priorities to secure sufficient local resource for local children whilst trying to manage and ease the cost to the Council's budget of using externally commissioned placements / services.

2. Lincolnshire Children in Care:

Children in care numbers as of 1st December were **756** and of this number **520** children are placed with foster carers, which equates to 68.8% of the Children in Care, this is further spilt as follows:

- 472 (62.4%) are placed with LCC approved foster carers
- 48 (6.4%) are placed with Independent Fostering Agencies

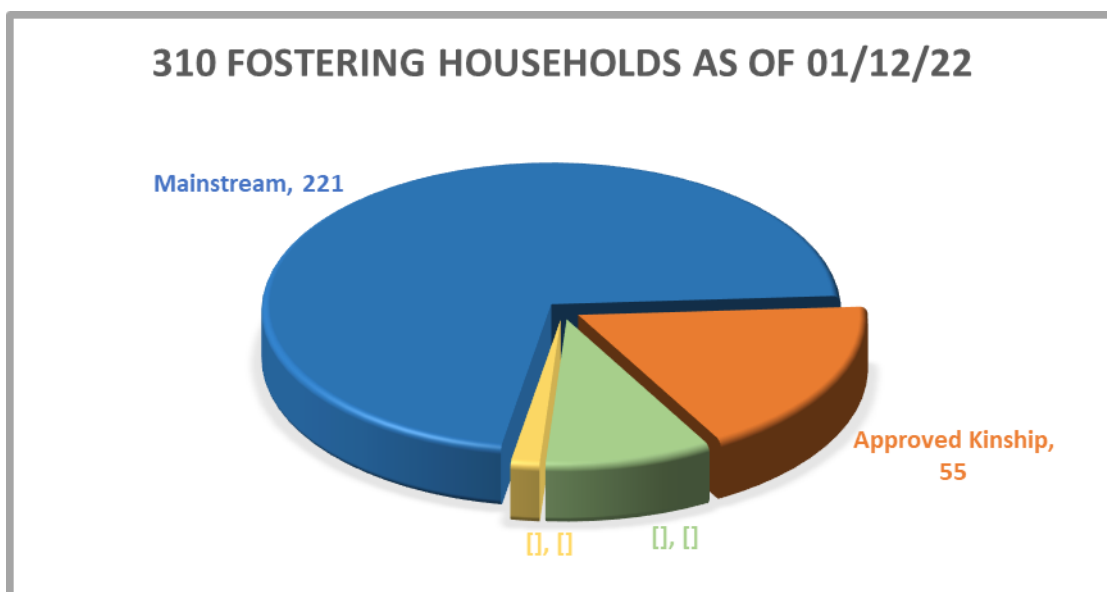
The composition of children in care placements is considered a really important factor from a financial impact perspective to the Council. Although Lincolnshire has faced challenges with increasing the number of approved foster carers, which is being encountered nationally, the high proportion of children in care with Council approved foster carers ensures greater value for money is being achieved and delivers a lower average cost per Children in Care compared to national in addition to Lincolnshire's favourable per 10,000 Children in Care numbers.

Lincolnshire's average weekly cost per child in care (2020 latest available data) is £886 compared to the national average of £1,070. It is important Lincolnshire maintain and grow its levels of approved foster carers.

3. Lincolnshire Foster Carers:

There were 310 fostering households as of 1st December 2022, these are spilt into the following categories:

- 221 Mainstream
- 55 Approved Kinship
- 29 Temporary Kinship
- 5 Foster to Adopt



4. Current Budget:

The overall Children in Care budget for 2022/23 is £36.123m and £11.948m (33.15%) covers the annual fostering budget, for fostering allowances, staffing costs, and externally commissioned foster placements for 520 children as of 1st December 2022.

Further analysis and comparison suggest the average externally commissioned foster placement is £846.00 against the average weekly cost with Council approved foster carers of £441.62 (exc overheads), which equates to being 47% cheaper and demonstrates value for money.

5. Fostering Allowances:

Lincolnshire has been and continues to be a Fostering Agency that pays an allowance that is for the child and this complies within the Government recommended Minimum Weekly Allowances as advised in April 2022. It is recognised by the Government that the allowances are to meet the costs of caring for a child with additional payments depending on:

- If the child has specific needs
- How many children are being fostered
- The carers skills and experience
- The fostering service

In addition to the basic fostering rates Lincolnshire also host a limited number of other fostering rates which are paid instead of the basic fostering rates for the following specialist placements:

- Placement Plus
- Emergency Placement
- Mother & Baby
- Special Child Rate

- Children with Disabilities
- Remand Basic
- Remand Enhanced

Each fostering household are also awarded an additional four weeks' allowances in total at the same rate of pay for birthday, festival and summer holidays.

6. Independent Fostering Sector:

The circumstances where children are placed outside of Lincolnshire County Council's fostering households and within the independent sector occurs where no in-house suitable placements are available due to matching considerations, capacity or the child's needs are deemed to be too complex.

With the increased numbers of children in care nationally and locally, it is acknowledged that the reliance on commissioned services has grown (48 children in Independent Fostering Agency households)

7. Current Landscape - The shortfall in Fostering Households Nationally and future predictions

The recent data published by National Statistics on www.gov.uk on 17th November 2022 confirmed that the number of children cared for has reached a total of 82,170, up by 2% on 2021. This has been a continuing trend over the last decade and combined with the growth from the National Transfer Scheme has resulted in the numbers in Lincolnshire reaching a significant peak.

The national concern and discussion relating to the increased gap between the number of children in care and the reduced numbers of foster carer households has been highlighted by Fostering Network and Foster Talk who are both recognised national organisations that support and champion the role of fostering households across the nation.

The State of the Nation Report published by the Fostering Network in December 2021 reiterated the importance of the retention and recruitment of foster carers owing to the numbers reducing from this sector. This was further highlighted by Josh MacAlister who recommended the critical path would be for 9,000 more fostering homes to be identified to ease the burden and provide more homes closer to communities. Community Care magazine reported on 25th November 2022 that the shortage of foster carers deepens with more leaving than ever before. They also highlighted from the Ofsted Data released in early November 2022 that over 5,435 households nationally were deregistered compared to 4,035 that were approved.

8. Financial Implications

The recommendation to provide a 12.4% increase to all Lincolnshire foster carer rates from April 2023 (using 1 December 2022 data) will be an increase in costs of £0.703m. The 2023/24 Council budget agreed by the Full Council in February 2023 included a 3% increase for foster carer allowances (or £0.160m). The additional costs of £0.543m will be met from the additional funding received through the Local Government Funding

Settlement for 2023/24. Nationally, Local Authorities funding for core spending powers will increase by £5bn (or 9%) in cash terms, of which £3.85bn is distributed through the Social Care Grant for adult and children’s social care. The additional costs will be drawn down by the Council’s agreed contingency budget in 2023/24 and is to be applied on a permanent basis.

Detail	Total Amount - based on 56.14 wks	Current Spend - based on 56.14 wks	Difference
12.4% uplift to all allowances	£6,376,271.90	£5,672,839.77	£703,432.13

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.

All children and young people have a right to be treated equally and have their disability, gender, ethnic, cultural, religious, and linguistic needs met. As corporate parents for children and young people in care, it is essential that the council is able to demonstrate that it considers equality implications in all decisions made in relation to children in care and care leavers. This has been taken into account during the preparation of this report.

The proposed payment will help to secure the stability of foster carer provision and make for an attractive offer to prospective new foster carers. This will increase the number of foster placements the Council is able to make with a consequent impact on the wellbeing of young people including those with a protected characteristic.

Joint Strategic Needs Assessment (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 and Wellbeing Strategy (JHWS) in coming to a decision.

The proposal has considered the priorities within the JSNA and JHWS for the Council's children in care community and how these align with the key objectives in relation to reducing inequalities and promoting the health and wellbeing of all children in care.

Increasing and sustaining fostering families is a key component in offering children a secure base to ensure that they develop, have enriched experiences thus improving their quality of life, mental health, physical and emotional wellbeing.

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.

Foster Care provision positively offers a safe and secure home where children have the chance to individually grow and develop. The combination of this positive experience enables children to experience a more fulfilling and positive life, improves educational opportunities, shapes behaviours that create a better framework for developing and building relationships which are some of the critical factors in reducing anti-social behaviours and reducing crime.

3. Conclusion

Fostering plays a significant role in the Council's ability to care for young people for whom it is responsible. It remains a consistent challenge, however, to attract foster carers in sufficient numbers to meet the Council's requirements. Attracting and retaining the Council's own approved foster carers can be shown to be a cost-effective and effective way of delivering our responsibilities.

Approving an uplift to the full extent of the government's announcement and the funding given will assist the Council in maintaining and expanding its foster care offer.

4. Legal Comments:

The Council has the power to give the uplift recommended.

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

5. Resource Comments:

The recommendation to provide a 12.4% increase to all Lincolnshire foster carer rates from April 2023 will secure the stability of the Council's own foster carer provision and make for an attractive offer to prospective new foster carers, which is an important approach to both supporting children locally and financial effectiveness.

The overall cost increase of the recommendation is £0.703m. The 2023/24 Council budget agreed by the Full Council in February 2023 included a 3% increase for foster carer allowances (or £0.160m). The additional costs of £0.543m will be met from the additional funding received through the Local Government Funding Settlement for 2023/24. Nationally, Local Authorities funding for core spending powers will increase by £5bn (or 9%) in cash terms, of which £3.85bn is distributed through the Social Care Grant for adult and children's social care. The additional costs will be drawn down by the Council's agreed contingency budget in 2023/24 and is to be applied on a permanent basis.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This report will be considered by the Children and Young People Scrutiny Committee at its meeting on 3rd March 2023 and the comments of the Committee will be reported to the Executive Councillor.

d) Risks and Impact Analysis

See the body of the report

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 Deborah Crawford, who can be contacted on 01522 552781 or deborah.crawford@lincolnshire.gov.uk.

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