



CABINET – 30TH MAY 2018

SUBJECT: FOSTER CARER FEE LEVELS

REPORT BY: CORPORATE DIRECTOR - SOCIAL SERVICES AND HOUSING

- 1.1 The attached report, which was considered by the Health, Social Care and Wellbeing Scrutiny Committee on 1st May 2018, asked Members to support the implementation of a revised fee structure for Caerphilly foster carers, which will bring the Council in line with other local authorities in South Wales and will assist Children's Services to recruit additional foster carers. It was noted that the report also sought a referral to Cabinet on the recommendations contained therein.
- 1.2 Members were reminded of the service pressures faced across Children's Services with the increased complexity of difficulties being presented by families, the significant increase of over 100 Looked After Children, the relentless demands of increased court proceedings and the resultant budget overspend. These pressures have been compounded by the availability of sufficient in-house foster care placements. Given the increase in looked after children, Children's Services have to commission foster care placements from independent fostering agencies (IFAs), which adds to the cost pressures placed on the Authority. In addition, and despite continuous recruitment activity, Caerphilly has experienced a net loss in the total number of available placements over the last few years and the age profile of existing carers suggests that more will be retiring over coming years.
- 1.3 It has also become apparent that a number of potential applicants are choosing to apply to other Councils or the IFAs based on the remuneration packages offered, and therefore a need for Caerphilly Council to offer more competitive placement allowances has been identified. Officers outlined the current payment structure, with it noted that the fee comprises of either a mainstream or career allowance, together with a child allowance. These fees were last reviewed in 2004 and place mainstream carers at a disadvantage compared to career carers and those carers in other local authorities.
- 1.4 It was therefore proposed to streamline the fee structure in line with the age bandings for the National Minimum Allowance (NMA) set annually by Welsh Government, and which will equalise payments to mainstream and career carers. Further details of the proposed structure were set out in the report. The report also proposed an annual fee increase in line with the Council's agreed pay award percentage, and that a Birthday Allowance of £100 and a Christmas Allowance of £200 be implemented. Members were also asked to note that two weeks annual leave allowance will be payable across the board for all carers. As it has been recognised that a number of existing career carers will be at risk of detriment with the implementation of the new fees due to the ages of the children currently in placement, the report proposed that existing fee levels for those carers are protected for the duration of the current placement or until the transition through to a higher age band (whichever comes first).
- 1.5 The Scrutiny Committee were advised that consultation has been carried out with Caerphilly's Foster Care Forum, with mainstream carers supportive of the level of equality that will be set via the standardised fees. There has been some apprehension amongst career carers but they are satisfied with the level of fee protection offered. Both parties appreciate the recognition of their efforts arising from the annual leave allowance and annual fee increase.

- 1.6 Discussion took place on whether career carers might opt to foster less challenging cases due to the removal of the enhanced fee. Officers explained that this will be a choice for each individual and expressed the need to introduce an equitable level of payment in view of the demands and pressures being faced by the service. A Member queried whether it was a realistic expectation for the additional costs to be met through the Children's Services budget from 2019 onwards and Officers explained that in addition to the savings that would be made through the use of IFAs, additional savings would be made in other areas of this budget if necessary in order to meet the demands of this essential service area. Officers also responded to queries regarding the current level of recruitment for foster carers, and agreed to circulate further information to the Scrutiny Committee regarding the number of carers in training. Discussion also took place regarding out of county and reciprocal fostering arrangements between local authorities, and it was emphasised that the Authority consider all relevant factors in order to provide the most stable placement for children in care.
- 1.7 Following consideration of the report, the Policy and Resources Scrutiny Committee unanimously recommended to Cabinet that for the reasons contained therein:-
- (i) the revised fee structure as detailed in the report be implemented;
 - (ii) Birthday and Christmas Allowances be reintroduced;
 - (iii) fee payment protection for those career carers with younger aged children in placement be applied;
 - (iv) the use of service reserves to fund the proposals for the remainder of 2018/19 be approved;
 - (v) the level of savings achieved as a result of placements returning to Caerphilly carers be monitored throughout 2018/19 and be used to fund the recurring impact of the revised fee structure from April 2019 onwards.
- 1.8 Cabinet are asked to consider the recommendations and to note that if the revised fee structure is approved, arrangements will be made to implement the payments with immediate effect from 1st June 2018.

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Appendices:

Appendix 1 Report to Health, Social Care and Wellbeing Scrutiny Committee on 1st May 2018 - Agenda Item 10



HEALTH, SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE - 1ST MAY 2018

SUBJECT: FOSTER CARER FEE LEVELS

REPORT BY: CORPORATE DIRECTOR, SOCIAL SERVICES

1. PURPOSE OF REPORT

- 1.1 To seek Scrutiny Committee support to implement a revised fee structure for Caerphilly foster carers which will bring the Council in line with other Local Authorities in South Wales and will assist Children's Services to recruit additional foster carers.

2. SUMMARY

- 2.1 Scrutiny Committee are already aware of the service pressures faced across Children's Services with the increased complexity of difficulties being presented by families, the significant increase of over 100 Looked After Children, the relentless demands of increased court proceedings and the resultant budget overspend. These pressures have been compounded by the availability of sufficient in-house foster care placements.
- 2.2 The Children's Services Commissioning Strategy clearly expects children and young people to be placed with in-house foster carers in the first instance. The average in-house foster placement costs £16k per annum. Given the significant increase in LAC numbers, all in-house provision is full. As a result, Children's Services have to commission foster care placements from Independent Fostering Agencies (IFA's). The average cost of an IFA placement is £35-45k per annum.
- 2.3 Despite continuous recruitment activity, Caerphilly has experienced a net loss in the total number of available placements over the last few years and the age profile of existing carers suggests that several more will be retiring over coming years. The reduction in numbers of carers has, in part, been impacted by an improved quality assurance approach to reviewing the standards of care being provided which has resulted in several carers being de-registered.
- 2.4 Scrutiny Committee are aware of Cabinet's agreement to fund a radio advertising campaign which has generated increased enquiries leading to an increase in assessments. However, the Fostering Team are aware that a number of potential applicants are choosing to apply to other Councils or the IFA's based on the remuneration packages offered.
- 2.5 This report identifies that Caerphilly's mainstream foster carer fee level is now one of the lowest in South Wales and this is inevitably impacting on our ability to recruit the additional foster carers that are required to meet demand.

3. LINKS TO STRATEGY

- 3.1 Social Services & Well Being (Wales) Act 2014.
- 3.2 Children's Services Commissioning Strategy 2015-2020.

- 3.3 Statutory Foster Care Regulations.
- 3.4 Well-Being of Future Generations Act (Wales) 2015.

4. THE REPORT

- 4.1 Foster carers financial remuneration consists of two elements which are paid weekly:
 1. An allowance in respect of each child in line with the National Minimum Allowance (NMA) set annually by Welsh Government. The NMA varies based on age bands; 0-4, 5-10, 11-15 and 16+ years.
 2. A professional fee reflecting the skills, training and experience of the foster carer. Currently, there are two fee levels in Caerphilly; a mainstream carer fee is £68 and a career carer fee is £176. All other Local Authorities have a single fee level for all foster carers at a similar level to Caerphilly’s career carer rate.
- 4.2 Caerphilly has 38 mainstream carers and 38 career carers. As stated above, the NMA is set annually by Welsh Government and increases annually. The fee levels are agreed by the Local Authority and the current fees were set in 2004 with no increases made since that time.
- 4.3 The NMA levels for 2018/19 are as follows:

Age band:	National Minimum Allowance:
0 – 4	£175
5 – 10	£159
11 – 15	£159
16 +	£199

- 4.4 Children and young people in the 11 to 15 age band are the most difficult to place. Using this age group, the following table identifies the current remuneration rates across neighbouring Local Authorities together with the average IFA cost:

Local Authority:	Fee:	Child allowance:	Total placement cost:
Caerphilly	Mainstream: £68.41 Career: £176.73	£159	£227.41 £335.73
Blaenau Gwent	£175	£159	£334
Torfaen	£103.75	£168.50	£272.25
Monmouthshire	£75	£174	£249
Newport	£150	£159	£309
Merthyr	£160	£159	£319
Rhondda Cynon Taff	£165.50	£159	£324.50
Cardiff	£175.83	£159	£334.83
Average IFA			£770

In addition, with the exception of Caerphilly, all the Local Authorities make additional Birthday and Christmas payments ranging from £100 to £300.

- 4.5 Recent consultation undertaken with Caerphilly foster carers in response to the National Fostering Framework highlighted that although carers felt very satisfied with the support they received from the Fostering Team, mainstream foster carers felt that their fee levels did not reflect the level of commitment they are required to provide and as a result they felt undervalued. Many carers stated that they had to consider seeking alternative employment which would limit their availability to accept placements.

- 4.6 Having reviewed the remuneration packages across the region, in an attempt to address the varying allowance and fee levels and the inequity between the current mainstream and career carers, the following fee structure is proposed:

Age band:	Allowance:	Single Fee:	Total:
0 – 4	£175	£125	£300
5 – 10	£159	£161	£320
11 – 15	£159	£181	£340
16+	£199	£181	£380

- 4.7 Implementation of the proposed fee structure will place Caerphilly in a strong position to compete within the region. In order to maintain this position it is proposed that the fees increase annually in line with the Council's agreed pay award percentage. In addition, it is proposed that a Birthday Allowance of £100 and a Christmas Allowance of £200 is implemented.
- 4.8 On the basis that the new fee structure is linked to the NMA age bands, a number of existing Career Carers will be at risk of detriment with the implementation of the new fees due to the ages of the children currently in placement. As a result, it is proposed that existing fee levels for those carers are protected for the duration of the current placement or until the transition through to a higher age band whichever comes first.
- 4.9 Consultation has included Caerphilly's Foster Carer Forum and the final proposals will be presented to Foster Carers on 18th April. Given the reporting timescales it is not possible to include feedback in this report but a verbal update will be provided to Scrutiny Committee.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 Social Services contribute to the Well-being Goals and the 5 ways of working in the context of strategy and vision, preventing problems occurring or getting worse and collaborating to meet agreed objectives specifically:
- Corporate planning
 - Risk management
 - Workforce planning
 - Performance management
 - Financial planning.

6. EQUALITIES IMPLICATIONS

- 6.1 The Council's EIA process does not need to be applied in this matter.

7. FINANCIAL IMPLICATIONS

- 7.1 There are significant financial implications involved in addressing the remuneration challenges.
- 7.2 The costs of implementing the revised fee structure are:

Fees:	£175,305
Protection for existing Career Carers:	£ 53,666
Total:	£228,971

- 7.3 Reintroduction of the Birthday Allowance at £100 and Christmas Allowance at £200 for children in mainstream foster care (129) and Kinship foster care (78) will cost £62,100.

- 7.4 Therefore, the total full year cost of implementing both the revised fees and additional allowances is £291,071.
- 7.5 Part year implementation effective from 1st June 2018 will cost £242,559 or from 1st July 2018 will cost £218,295.
- 7.6 It is proposed that for 2018/19, Service reserves are utilised to fund the proposal. However, from 2019 onwards, the costs will need to be met through savings within the Children's Services budget.
- 7.7 The total annual cost could be offset by savings if a minimum of 8 children currently placed in the independent sector were able to be returned to Caerphilly carers.

8. PERSONNEL IMPLICATIONS

- 8.1 There are no HR implications resulting from this report.

9. CONSULTATIONS

- 9.1 The report reflects the views of the consultees.

10. RECOMMENDATIONS

- 10.1 Scrutiny Committee are requested to note the content of this report and support the following:
- i) Implementation of the revised fee structure as detailed in this report;
 - ii) Re-introduction of Birthday and Christmas Allowances;
 - iii) Fee payment protection for those Career Carers with younger aged children in placement and;
 - iv) The use of Service reserves to fund the proposals for the remainder of 2018/19.
 - v) The level of savings achieved as a result of placements returning to Caerphilly carers will be monitored throughout 2018/19 and will be used to fund the recurring impact of the revised fee structure from April 2019 onwards.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To ensure Scrutiny Committee is fully aware of the foster care recruitment pressures and the need to address the fee structures and allowances in order attract additional carers to meet the service demands.

12. STATUTORY POWER

- 12.1 Social Services and Well Being (Wales) Act 2014.

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