

Report to: Executive Director Children, Young People and Learning

March 2021

Modification of the West Sussex County Council Foster Care Allowances

Report by: Assistant Director, Children's Commissioning and Contracts

Electoral divisions: All

Summary

The County Council faces an ever-increasing demand for the availability of high quality placements for children who are looked after. Despite an increase in the approval of new foster carers in the last two years, it is recognised that further work is required to improve the recruitment and retention of foster carers.

Therefore it is proposed to modify the current in-house foster carer allowance scheme to enable the Council to attract and increase in-house foster carer provision. By modifying the current allowance scheme, it will:

- attract more carers to foster for the Council
- increase in-house provision to enable more children to be placed locally
- expand in-house provision to provide multiple placements to support siblings
- reduce the level of reliance on independent fostering agencies
- drive better value for money

Recommendations

- (1) That the Executive Director of Children, Young People and Learning approves the implementation of the modification to the current County Council foster carer allowance scheme set out in section 2 of the report.
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Proposal

1 Background and context

- 1.1 For many years the number of children looked after within West Sussex was substantially below the national average per capita and statistical neighbours. However, over the past 18 months the number of looked after children has risen significantly by approximately 20% which is bringing the County Council

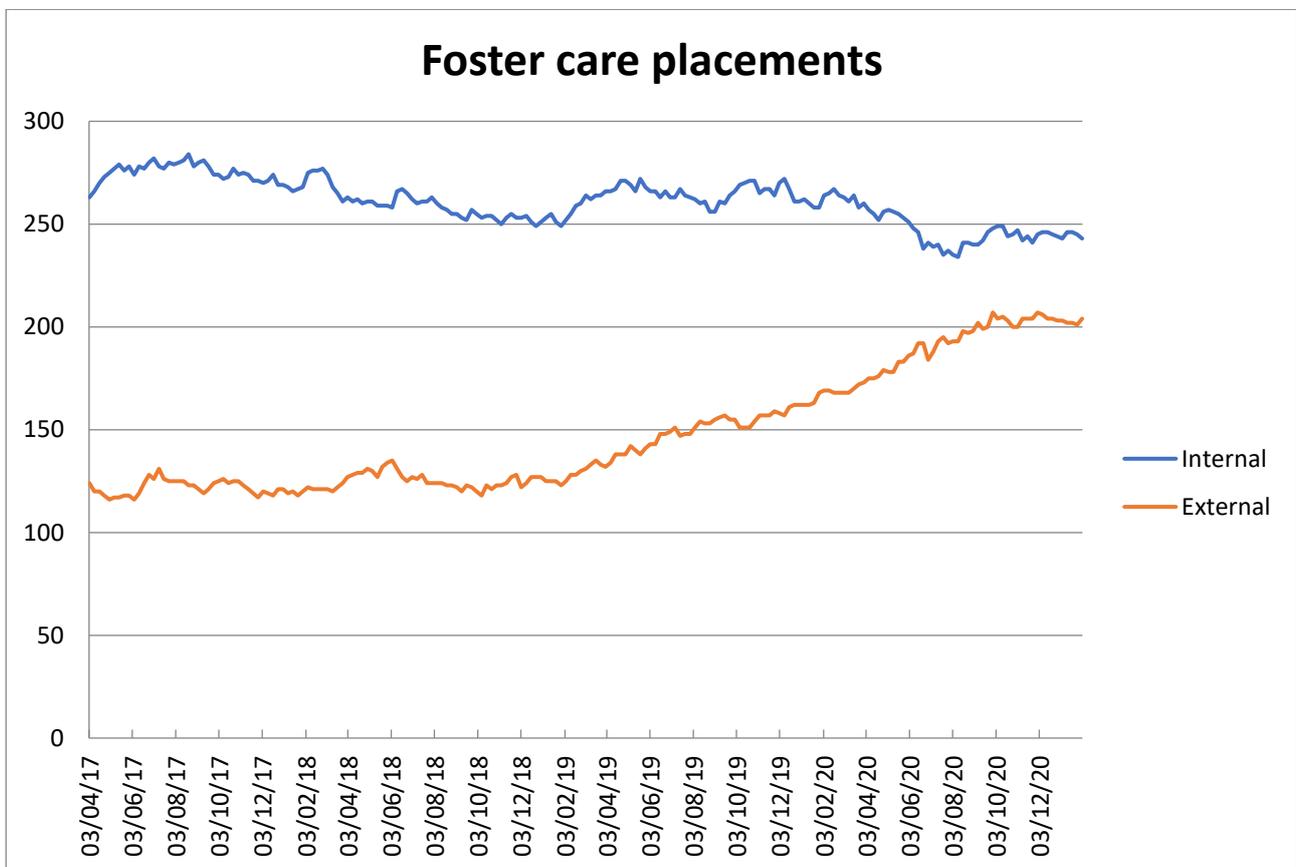
more in line with statistical neighbours placing a greater demand on local provision

CLA rate per 10,000 population

Financial year	Avg. England rate	Avg. Statistical neighbour rate	West Sussex rate
2015	60	46	38
2016	60	47	37
2017	62	50	39
2018	64	52	41
2019	65	53	40
2020	67	55	46

1.2 In 2017, an investment plan was implemented, intended to increase in-house foster carer capacity - which had a level of success, although it has been unable to keep pace with the ongoing increased demand for placements, as can be seen in the chart below. The investment did introduce improvements and efficiencies in the foster carer recruitment process through streamlining processes which reduced the time taken from assessment to approval. The plan was not designed to review the allowance scheme for foster carers.

1.3 Chart showing the number of children in foster care placements, split between the number placed with internal foster carers and those placed with external fostering providers -



1.4 Despite significant changes and an increase in the approval of new foster carers in the last two years, it is recognised that further work is required to improve

the recruitment and retention of foster carers and to help ensure stability of local placements and quality of care for our children. The current scheme of allowances and wider support offer will therefore be reviewed in a phased approach.

Phase 1 - the initial proposal is to carry out some minor modifications to introduce a simplified and competitive scheme of fees and allowances for in-house foster carers, to go live in April 2021.

Phase 2 – across 2021 a full service review will be completed, this will include more detailed work to assess other potential adjustments to the fees and allowance scheme as well as the support package provided to our foster carers, the outcome of which will be the subject of a separate key decision process.

- 1.5 The County Council has an allowance scheme to support all carers who care for the children looked after in West Sussex. This scheme was originally set up in the 1990's, and has multiple elements, levels and rates of pay. This adds a high level of complexity to the payment scheme, which is not in line with either the external foster care market or with our neighbouring local authorities and so places the County Council at a disadvantage in respect of attracting and retaining our own foster carers.
- 1.6 The allowance scheme is split into 2 main elements. Firstly, the All-Inclusive Allowance (AIA) is the weekly amount paid for each child in placement, with the payment rate based on the age of the child. The Department of Education (DfE) [publishes](#) the guidance on minimal weekly allowances rates on an annual basis. The County Council's current rates for the AIA are competitive with neighbouring local authorities and above the recommended rates set for the South East, so this part of the scheme is out of scope for this proposal and will remain unchanged.
- 1.7 The second element of the scheme is the skills level fee for the carer which is based on the experience and skills of the foster carer. For each child in placement a carer will receive a skills level fee payment, in addition to the AIA. Under the current scheme, the full skills fee level rate is paid for the 1st child - however the rate is then significantly reduced for subsequent children placed with the same carer. This is not in line with either the external foster care market or with our neighbouring local authority where the same rate of skills fee is paid for every child.
- 1.8 The Fostering recruitment team has expressed the difficulties that regularly arise when discussing with potential foster carers the payment scheme and the lower skills fee payment foster carers would receive for subsequent children in placement.
- 1.9 The in-house foster carer provision does include both single and multiple placements although it is more predominately single placements. There is an increasing need for multiple placement households for sibling placements and ensuring a comparable skills level payment for each child should assist in encouraging more carers to consider multiple placements.

2 Proposal details

- 2.1 With effect from 1st April 2021, it is proposed to modify the current payment scheme so that each internal foster carer receives the same skills level payment for every child in their care.

- 2.2 As of 4th February 2021, there were 242 approved mainstream foster carer households with 53 households caring for 2 or more children who currently receive a significant reduced skill fee rate of £46.20 per 2nd or 3rd child per week.

For example

Level 2 carer with 2 children would receive additional £82.81 per week

	Current weekly skills fee	Proposed weekly skills fee	Difference from proposal
1 st child	£129.01	£129.01	£0
2 nd child	£46.20	£129.01	+£82.81
Total per week	£175.21	£258.02	+£82.81

Level 3 carer with 2 children would receive additional £201.53 per week

	Current weekly skills fee	Proposed weekly skills fee	Difference from proposal
1 st child	£247.73	£247.73	£0
2 nd child	£46.20	£247.73	+£201.53
Total per week	£293.93	£495.46	+£201.53

- 2.3 Marketing of the modified scheme will be targeted both internally and externally to increase the number of local foster households/placements in West Sussex. Meet and greet sessions will be arranged to target existing carers who are approved for more than 1 placement but who are currently only fostering 1 child, as well as any existing carers who could be approved for multiple placements (e.g., those with additional bedrooms etc). This will ensure more children can be cared for locally and avoid the damaging effects and trauma of being cared for further away from their families, connections, and the security of local services.

3 Other options considered (and reasons for not proposing)

- 3.1 Do nothing – the reason for not wanting to continue with the current scheme is that the significantly reduced skills fee payment for subsequent child in placement does not align with other neighbouring local authorities and independent fostering agencies who pay the same fee per child putting the County Council at a disadvantage in securing foster placements. It would perpetuate the difficulties of encouraging internal foster carers to care for more than one child, meaning that a greater proportion of sibling groups would continue to be placed with independent fostering agencies at a higher cost.
- 3.2 Implement modifications to the allowances and the full fostering service review in one proposal - further options to review and refine the payments scheme have been considered, and will form part of more detailed work in the wider Fostering Service review which is scheduled to be undertaken during the autumn of 2021.

4 Consultation, engagement, and advice

- 4.1 The Cabinet Member for Children and Young People has been kept fully updated on the suggested alterations to the scheme and is supportive of the modifications to the allowances proposed.
- 4.2 Regular meetings have been held with the United Foster Carer Association (UFCA), a West Sussex based representative body which provides an impartial helpline and organises days out for local foster carers and their families, at which the proposed modifications to the payments scheme has been discussed.
- 4.3 In-house foster carers have been advised of the proposed changes and that is part of a phased approach to reviewing the fostering service as a whole. This 1st phase does not negatively impact any of the carers.
- 4.4 During August and September 2020, initial engagement events were held with foster carers to seek views around the Fostering service as a whole, and the feedback provided will help inform and shape phase 2.

5 Finance

5.1 Revenue consequences

- 5.2 Included within the 2021/22 budget for Children's Social Care that was approved by County Council on 12th February 2021 was a growth item of £1.3m for Fostering Allowances and Support. The first £0.650m of these monies has been used to fund the phase 1 proposal of the wider Fostering Service review as set out in this report. This cost has been calculated based on the 53 foster carers who currently foster more than one child and increasing the skills fee payments to those carers for the second and any subsequent children in their care.

	Current Year 2020/21 £m	Year 2 2021/22 £m	Year 3 2022/23 £m	Year 4 2023/24 £m
Existing revenue budget	6.174	6.174	6.174	6.174
Change from this proposal – Phase 1 Fostering Allowances & Support review	0.000	0.650	0.650	0.650
Phase 2 Fostering Allowances & Support review (subject to a further decision report later in 2021/22)	0.000	0.650	0.650	0.650

	Current Year 2020/21 £m	Year 2 2021/22 £m	Year 3 2022/23 £m	Year 4 2023/24 £m
New revenue budget	6.174	7.474	7.474	7.474

- 5.3 The remaining £0.650m of growth funding is currently uncommitted but has been set aside within the 2021/22 budget to cover the cost of further proposals expected to arise from phase 2 of the Fostering Allowances and Support Review. These proposals will be subject to a further key decision report later this financial year.
- 5.4 Although the proposal set out in this report increases expenditure by £0.650m it is expected that the higher rates will ensure that the existing internal foster carers with multiple placements will continue to do so in the future. If these children were placed with external fostering agencies they would cost on average an additional £500 per placement each week. Based on the 69 children placed with the 53 foster carers who currently foster more than one child, this would cost an additional £1.8m per annum.
- 5.5 It is further hoped that by paying the same skills level payment for every child in care, this will encourage more internal foster carers who currently only care for one child to take on additional placements in the future. This will have the effect of reducing the number of children being placed with external fostering agencies. The identification of any potential cashable savings of this over the longer term will be picked up as part of the detailed modelling that will be undertaken as part of the full service review under phase 2 of the Fostering Allowances and Support Review.
- 5.6 The effect of the proposal:
- (a) **How the cost represents good value**
- This proposal is phase 1 of the wider fostering review. The ambition of the wider review is to increase the proportion of children looked after who are cared for by internal foster carers. The financial benefit will be seen through a reduced proportion of children being placed with external fostering agencies, leading to an average cost avoidance of £500 per placement per week.
- (b) **Future savings/efficiencies being delivered**
- As stated above, the outcome of the wider fostering review will be that a higher proportion of children looked after who are fostered will be cared for by internal foster carers. This in turn will lead to a level of cashable savings or cost avoidance over the medium to long term. The key decision report in relation to phase 2 will clearly outline the impact of these efficiencies once they have been fully modelled.
- (c) **Human Resources, IT and Assets Impact**
- All resources to make changes to the payments scheme within the IT system, associated comms and marketing have been factored in at no additional cost.

No other resources required.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
The investment does not guarantee that a significant number of the current in- house carers will be able to offer additional placements due to lack of space/rooms in the home	The service will focus the marketing plan for the new scheme externally to increase capacity and target carers who can support sibling/multiple placements As part of phase 2 consideration will be given to funding low cost schemes to help both internal and potential new carers with creating space through minor home improvements

7 Policy alignment and compliance

- 7.1 **Legal Implications** – The County Council has a statutory duty to provide care and a place of safety to all children and young people who are looked after. This proposal ensures the County Council continues to meet this duty through increasing local provision.
- 7.2 **Equality Duty and Human Rights Assessment** – This proposal supports the drive for enabling children looked after to be placed in a local family setting and have a childhood experience which is more equitable to their peers.
- 7.3 **Climate Change** This proposal will create the opportunity to reduce travel for professionals, carers, and families by creating more placements for children and young people within West Sussex who might have otherwise be placed further away.
- 7.4 **Crime and Disorder** - None
- 7.5 **Public Health** - This proposal of creating more in house foster carer placements supports a key goal for the West Sussex Joint Health and Wellbeing Strategy 2019-24, under the 'starting well' priority, where it states that children grow in a safe and healthy home environment with supportive and nurturing parents and carers.
- 7.6 **Social Value** - This proposal is to create more placements in a family home setting within West Sussex, which provides the opportunity for West Sussex residents to become foster carers and play a key role in caring for vulnerable children and young people. The foster carer role has many elements from providing a safe and nurturing home, making connections, and getting involved with the local community enabling a sense of belonging for the child/young person.

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Background papers - None