

Foster Care Fee and Allowances Uplift (including Kinship Care)

Report by Joan Tranent, Chief Officer, Children's Services, Partnerships and Communities

1 Purpose of Report

1.1 The purpose of this report is to seek approval from Cabinet to:

- a) Increase the allowances and fees paid for Fostering and Kinship Care.
- b) To subsequently revise and agree the Fostering Service Fee Policy to be effective from 1 April 2020.
- c) Note that Kinship Carers will receive the equivalent of the Fostering Allowance.
- d) That the revised fees and allowances will continue post 16 as part of our Continuing Care approach.
- e) Note the impact on the 2020/21 budget of the proposals contained in this report.

1.2 It is important to stress that the uplift is part of our wider Corporate Parenting duty to ensure that wherever possible 'looked after and accommodated' children remain within their own extended family or a local alternate family setting. The policy direction is to encourage looked after and accommodated' young people to remain with families post 16 so that they can experience improved outcomes in their transition to adulthood, as opposed to homelessness, unemployment and other adversities as a result of trying to live alone at a young age.

1.3 Midlothian Council's foster and kinship carers were previously awarded a minimal uplift in April 2014, pending the outcome of the National Care Review and their proposal to develop a national fee and allowance across Scotland. No such proposal has been forthcoming which now means Midlothian Council's fees and allowances are no longer competitively aligned with its neighbouring authorities and the independent fostering agencies.

1.4 While financial incentives are not the sole motivating factor for people becoming foster carers we need to acknowledge that Midlothian Council is no longer considered to be competitive and this can be a barrier to recruitment. We do expect our foster carers to work with some of the most vulnerable and challenging children and families while continuing to increase their professional skills and competence base.

2 Background

2.1 There are currently 228 children looked after by Midlothian Council with 74 of those children in foster care. Children placed in foster care equate to 32% of the overall 'looked after' child population. We also have 74 children currently living in a kinship arrangement. This reflects our policy direction to place children where possible within their own family networks before seeking an alternative family. Research tells us that children experience improved outcomes when placed within a family setting.

2.2 In order to ensure we recruit dedicated and caring foster carers going forward who are committed to their caring role, we believe that a redesign of our current allowances and fees is long overdue.

The proposal is linked to our existing fees and allowances structure which is also linked to the skills and experience of foster carers and their continued learning and development. The increase to the allowance will also support foster carers and kinship carers to meet the additional cost of caring for 'looked after children' until they are ready to move into adulthood.

3 Kinship Care

- 3.1 Kinship carers are often amongst the most financial disadvantaged population groups. This financial hardship is then exacerbated by having to meet the additional cost of caring for children. The intention is that Kinship Carers continue to receive the same allowance as foster carers (less child Benefit).

4 Current Position

- 4.1 Given the lengthy period since the previous uplift the proposed 20% increase in allowances would seem a fitting gesture figure (table 1 and 2). Trying to predict a standard increase to foster carer's fees is much more complicated. This is because the fee component is linked to the level of an individual foster carers' skill, knowledge, expertise and continued learning and development. The rationale for each skill level is set out in a separate policy and provides clarity for the foster care population as to the requirements of each level.

Proposed Fee and Allowance Structure

Fostering Allowances	Current payments		Proposal	
	Weekly	Fortnightly	Weekly	Fortnightly
Age Band				
up to 4	100.32	200.64	126.00	252.00
5-10	117.20	234.40	140.00	280.00
11-13	138.47	276.94	162.00	324.00
14-15	143.52	287.04	162.00	324.00
16+	175.41	350.82	217.00	434.00
Fostering Fees				
Level 1	123.22	246.44	231.00	462.00
Level 2	191.90	383.80	292.00	584.00
Level 3	303.00	606.00	343.00	686.00

Table 1

Budget analysis

Element	Base Budget (2020/21)	Expenditure - Proposed New fees (2020/21)	Increase £
Allowance payments Internal	678,356	667,703	-10,653
Allowance payments – External	848,763	848,763	0
Foster Carers -Fees	943,010	946,426	3,416
Kinship Carers Payment	1,301,042	1,308,422	7,379
Adoption Expenses	227,985	228,973	988
TOTAL	3,999,156	4,000,287	1,130

Table 2

- 4.2** The cost of the proposals are met fully by the current underspend reported at Q3 in 2019/20. We do need to be mindful that future expenditure can change because it is dependent on a number of variables, such as foster care recruitment, increased kinship carers and an increase in adopters. It is worth noting that we continue to finance external agencies although these are mostly historical placements that will decrease in time. We do not propose to provide these external agencies with any uplift because their costs and contractual obligations are contained within the Scotland Excel national foster care framework contract.

5 Continuing Care Provision

- 5.1** We recently developed a Midlothian Council's Continuing Care approach based on the 'Staying Put' agenda. We believe that a young person's needs do not change the day after they become 16 and in fact, this is often an age when young people begin to try new experiences and take risks. The underlying ethos of our Continuing Care approach is that children and young people should be supported throughout their care journey to remain in stable family homes for as long as possible; as opposed to leaving care at aged 16 with no support networks. Recognising the associated risks of working with this age group we have agreed that carers supporting young people through the 'continuing care' will be converted into named adult carers for the duration of the young person's placement. These adult carers will continue to receive the same fees and allowances as their counterparts. Given the challenge in trying to predict the numbers of young people in continuing care we have agreed to annually review the changing demographics and this will be reflected in future service modelling.

6 Report Implications

6.1 Resource

At a time when budgets are under pressure, this increase will have a financial impact in terms of the Council's medium-term financial strategy. However, the gesture will signal to both our foster and kin carers that the Council recognises that pending the outcomes of the National Care Review an uplift is needed to meet the cost of living and values their contribution to our most vulnerable children. Equally, the commitment of provision for continuing Care illustrates the Council's commitment and investment in our Corporate Parenting responsibilities.

6.2 Risk

The current risk is that the financial modelling contained in this report is based on our current data which can change due to a number of external factors. However, these variables are regularly monitored and reviewed.

6.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☒ Adult health, care and housing
- ☒ Getting it right for every Midlothian child Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☒ Business transformation and Best Value

6.4 Key Priorities within the Single Midlothian Plan

- ☒ Reducing the gap in learning outcomes
- ☒ Reducing the gap in health outcomes
- ☒ Reducing the gap in economic circumstances

6.5 Impact on Performance and Outcomes

The policy work will be linked to the Key Performance Indicators identified within the Service and Team plan as well as the recruitment and retention of foster carers. In addition, we will continue to review the number of children placed in Kin or Foster Care.

6.6 Adopting a Preventative Approach

The legislative and policy requirement/implications are underpinned by the preventative spend and improved outcomes agenda. In addition to improving outcomes for children placed within Kinship or Foster Care placements there is a reduction in the longer-term associated costs of alternative care placements.

6.7 Involving Communities and Other Stakeholders

Consultation with foster carers was undertaken.

6.8 Ensuring Equalities

The increase in our financial commitment will ensure that our most vulnerable children and young people will have the opportunity to be placed within their families and Communities where possible without financial disadvantage.

6.9 Supporting Sustainable Development

The rationale for the legislative and political change is to ensure children experience sustained improvements within their own extended families or through having a local substitute family.

6.10 IT Issues

There is no change to IT arrangements as all cases are managed through the Mosaic management information system within the Council.

7 Recommendations

It is recommended to Cabinet:

- (a) That the revised fostering service fees and allowances be approved within the existing budget.
- (b) That the future fostering budgets be annually reviewed to monitor and re-evaluate Continuing Care placements and spend up until 2024.
- (c) That the fostering fees and fostering allowances (including Kin Care) will be reviewed bi-annually.

Date of Report: 7th February 2020

Contact: Jo Foley

Tel No 0131 271 3792

jo.foley@midlothian.gov.uk