

Kinship Care Allowances: Update on policy and allocation and distribution of Funding**Report by: Joan Tranent, Head of Children's Services****1 Purpose of Report**

1.1 The purpose of this report is to update the Council Management Team of:

- Additional funding agreed by CoSLA and Scottish Government in relation to Kinship Care Allowance.
- Confirm Midlothian Council's allocation and distribution.
- Note that this is to take effect from 1 October 2015.

2 Background

2.1 The disparity of Kinship Care allowances has been an ongoing issue for local authorities and the Scottish Government although Midlothian is amongst the few local authorities who already pay Kinship Carers the same allowance as foster carers (less child Benefit).

2.2 Most recently, the Equalities and Human Rights Commission took an interest in this area and conducted an investigation into the disparity between allowances for looked after children in Formal Kinship Care (under a Children's Hearing) and looked after children in foster care. In their view, the disparity that exists is unlawful, raising the possibility of legal action against some local authorities. As a consequence, Scottish Government and COSLA have worked together to agree an interim position.

2.3 As an interim arrangement CoSLA and Scottish Government agreed to allocate £10.1 million to local authorities through the local government finance settlement in 2015/16 to assist with the implementation of Part 13 ("Kinship Care order") of the Children and Young People (Scotland) Act 2014, which is due to commence in April 2016. From this allocation Midlothian Council will receive the following funding;

15/16 pro-rata	£92,317
Per annum thereafter	£184,634

2.4 The sum includes 50% of the estimated cost for Formal Care (£3.3 million) and 100% of the estimated cost for holders of a section 11 Order/Kinship Care Order (£6.8 million). This is a permanent resource transfer to achieve parity for Kinship Carers through the funding of allowances and will be allocated into future local government finance settlements

- 2.5** Local authorities were also asked to ensure their current Kinship and Fostering Allowances Policies were updated and published to include key details of entitlement, eligibility criteria, how it will be assessed, where more information can be found, where complaints can be made and any other relevant information. Also, that local authorities signpost Kinship Carers to Citizens Advice Scotland (CAS) Kinship Care Service for information and advice on benefit entitlement.
- 2.6** Scottish Government stress this is an *interim solution* to assist with the implementation of Part 13 (“Kinship Care order”) of the Children and Young People (Scotland) Act 2014, which is due to commence in April 2016. A longer term review of allowances for Foster and Kinship Care is required. Scottish Government will continue to work in partnership with COSLA and Social Work Scotland (SWS) to develop a longer-terms solution and guidance. Meantime local authorities are asked to use their own judgement.
- 2.7** Whilst this Finance is welcome it must be recognised that this only relates to those in ‘formal’ Kinship Care and not those who have undertaken to care for children on an informal Kinship Care arrangement.

3 Report Implications

3.1 Resource

Midlothian Council pay allowances for 88 Kinship Carers (134 children) and the total monies paid out in 2014/15 was £780,770. The introduction of Kinship Orders due in 2016 is intended to lead to an increase in Kinship Care applications so that we can improve outcomes for vulnerable children by keeping Children within their own families and Communities where possible.

- 3.2** In addition to Kinship Care allowance the Council also incurs legal costs in relation to Section 11 payment (a legal order that offers long term security to children and young people in the care of family member) Since April 2015 the legal costs associated with Section 11 payments are approximately £4,000 (current average is £800 per month). This does not include the ‘hidden cost’ of Section 22 payments which impose upon local authorities an obligation to promote the welfare of children in need by providing a range and level of services appropriate to the children’s needs.

- 3.3** Although we cannot accurately predict the increase in Kinship Care Orders we can anticipate a significant increase, particularly in Section 11 Orders. In addition to an increase in kinship allowance payments the policy direction will impact on our current workforce and our capacity to progress the additional activity, more formal and detailed kinship assessments, permanence orders, and increased caseloads.

We plan to use the funding from the Scottish Government to increase current resources which would enable Children and Families to have a dedicated team to drive forward and number of requirements and initiative by:

- Making sure Midlothian Council's Children and Families services are equipped to manage future workload and capacity.
- Making sure the dedicated workforce are full supported and supervised.
- Having a dedicated groups of workers to take forward developing a sustainable learning and development plan for Midlothian's Kinship Care groups.
- Making sure robust policies, procedure and practice are in place.
- Ensuring Independent future Kinship Panels are afforded the same status as the wider permanence agenda.
- Funding of an independent Kinship Care Panel 'chair'.
- Engaging with other stakeholders at the partnership level.
- Organising and facilitating the existing groups, publicity, networking, dedicated sessions and events.
- Supporting information sharing and participate in any national work.

3.4 Risk

There is a requirement to report back to Scottish Ministers in relation to the use of the funding and the expectation is that the total monies are used for the purpose as described.

3.5 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

3.6 Key Priorities within the Single Midlothian Plan

- Giving children and young people the best start in life and improve life chances for children young people and families.
- Improve outcomes for children and young people by continuing to implement Getting it Right for Every Child and putting in place changes required by the laws
- Improve outcomes for vulnerable or at risk children and young people

3.7 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 reducing the number of children placed in Foster Care or Residential Care outwith Midlothian.

3.8 Adopting a Preventative Approach

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

3.9 Involving Communities and Other Stakeholders

The interim solution is part of national policy and has been influenced by various stakeholder and kinship groups.

3.10 Ensuring Equalities

This is not a change to Midlothian's policy on Kinship Care at this stage. However once we have more guidance on the implementation of the Act, this may change our policy in future. The change in financial commitment will ensure that our most vulnerable children have the opportunity to be placed within their families and Communities where possible.

3.11 Supporting Sustainable Development

The rationale for the legislative and political change is to ensure children experience sustained improvements within their own extended families.

3.12 IT Issues

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

4. Summary

This report has highlighted the interim changes to finance for children and young people in Kinship Care to assist with the implementation of Part 13 ("Kinship Care order") of the Children and Young People (Scotland) Act 2014, which is due to commence in April 2016.

5 Recommendations

- Council is asked to note the interim and future allocation of funding of £92,317/£184,634.
- That a number of actions sit alongside the additional monies funding agreed by CoSLA and Scottish Government.
- That the relevant changes are implemented as soon as possible.

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