

TRAFFORD COUNCIL

Report to: Executive
Date: 26th June 2017
Report for: Key Decision
Report of: Executive Member for Children and Families

Report Title

Trafford Foster Carer Allowances

Summary

The recent increase in numbers of children in care has led to our numbers of children using higher cost out of borough residential provision doubling in the last 12 months at an additional annual cost of circa £1.9m. Our numbers of children using agency foster placements has also risen significantly over the last 12 months with an additional 25 children using this provision at an additional annual cost of circa £1.1m. This has been a key contributor to the over-spend in the placement budget which has to be brought back into balance in 2017/18.

The reason for increased reliance on more costly external provision is the lack of capacity in our own in-house fostering service. Historically our level of approved foster carers has remained largely consistent, more recently however we've seen a slight reduction in numbers and we have been unable to push increased levels of foster carer recruitment. One of the key barriers to achieving improved levels of foster carer recruitment is the current level of fostering allowances.

Trafford's current fostering allowances place us well below many of our neighbouring local authorities as well as the Independent Fostering Agencies (IFAs). We currently pay an average of £844 per week per child for an IFA placement. The amount received by the IFA carers varies depending on the agency, and the needs of the child but we know this to be in the region of £400.

In comparison, Trafford's equivalent foster care provision average weekly unit cost is £352 per /week per child including on costs. We pay foster carers between £123.00 and £387.60 per week.

Key issues:

1. In 6 out of the 10 categories Trafford pays the least of all NW authorities.
2. Trafford pays only the national minimum allowance as its minimum payment across all 5 age categories with a substantial number of other authorities paying in excess of the national minimum.
3. In 2 of the 5 maximum payment categories Trafford pays the least.
4. Trafford is below the north west average payment across all 10 age range maximum and minimum categories.

5. Although below average the payment differential at the higher age range is less than it is at the lower age range.
6. Fostering is an increasingly competitive market, particularly in areas like Greater Manchester where competition does not only exist between each local authority and IFA's, but also between the different GM authorities themselves.

An increase of allowances to the amounts in Appendix A shown as "Proposed Revised Allowances" and highlighted in blue is proposed.

Increasing the financial support package for foster carers is an essential investment to deliver the CFW transformation savings, and therefore an urgent one, in order to:

1. ensure that Trafford has the ability to retain its existing carers, and recruit new additional foster carers (including some existing IFA carers who currently have Trafford children in placement) to minimise out of house placements;
2. ensure that Trafford is competitive across the region and to minimise the numbers of foster carers who go to competitors;
3. ensure that capacity in our in house provision is increased which will improve the matching process for children with carers, improve placement stability and reduce placement costs;
4. provide Trafford with more competitive capabilities particularly for hard to recruit carers;
5. enhance the current fostering opportunities that Trafford is able to offer; and.
6. ensure that Trafford is able to maintain its existing minimum payment in line with the National Minimum Allowances.

The proposed financial increases will help to mitigate the risks further identified in the report.

Recommendation(s)

1. That the weekly fostering allowance for carers of children in younger age ranges, age 0-10 yrs be increased by 50% so that they are comparable to those in neighbouring local authorities with effect from 1st October 2017.
2. That the weekly fostering allowances for carers of older children age 11-17 years be increased by 20% so that they are comparable to those in neighbouring local authorities and independent agencies with effect from 1 October 2017.
3. That this decision be deemed to be urgent, for the reasons set out in paragraph, 5.0 below, and not subject to call-in.

Contact person for access to background papers and further information:

Name: Cathy Rooney
Extension: x 5167

Background Papers: None

Implications:

<p>Relationship to Policy Framework/Corporate Priorities</p>	<p>National Minimum Standard for Fostering (13.1) <i>The local authority fostering service implements an effective strategy to ensure sufficient foster carers to be responsive to current and predicted future demands on the service.</i></p> <p>This proposal is informed by an understanding that in house fostering provision does not meet the current or predicted demands on the service. Investment is needed to recruit carers of children of all ages in order to offer a package of support which will attract high quality fostering applicants in a highly competitive fostering market place.</p> <p>National Minimum Standard for Fostering (28) <i>Payments to foster carers are fair and paid in a timely way.</i></p> <p>Fostering Service Statement of Purpose - <i>Children in Trafford being placed with foster carers deserve to be carefully matched with their carers when the placement is first made.</i></p> <p>This proposal achieves value for money by increasing the percentage of Looked After Children who are placed in cost effective locally based in house foster placements that enable them to maintain their existing appropriate networks and continuity of Education and Health provision.</p>
<p>Financial</p>	<p>The increase in allowances paid will cost approximately £319,000 in 2017/18 with a start date of 1st October 2017 and £638,000 for a full year.</p> <p>In 2018/19 onwards the £638,000 impact will be met from the fully year effect of 2017/18 savings and the savings that the service will achieve by increasing the number of in house foster carers.</p> <p>However the cost benefit associated with this plan will not be realised in 2017/18 due to the timescale for assessment and approval of foster carers which takes in the region of 6-9months. In addition, some of those recruited will not be in a position immediately to take our children with more complex and higher end needs as it will take time to build their confidence and resilience through ongoing training and support. Therefore in 2017/18 the CFW service will mitigate the £319,000 impact by making savings elsewhere within the service.</p> <p>The full investment summary is outlined in table 1 below.</p>
<p>Legal Implications:</p>	<p>The National Minimum Standards for Fostering state that <i>Each foster carer receives at least the national minimum allowance for the child, plus any necessary agreed expenses for the care, education and reasonable leisure interests of the child, including insurance, holidays,</i></p>

	<p><i>birthdays, school trips, religious festivals etc, which cover the full cost of caring for each child placed with her/him.</i></p> <p>Trafford foster carers paid at band one who have not completed initial training are paid the minimum allowance. There is a Payment for Skills structure in place which enables carers to move up to a higher pay band as they gain experience and complete more training. There are five pay bands.</p> <p>Carers are paid further allowances to support with transport costs relating to health, education and contact visits, holidays, festivals, birthdays and other costs as agreed relating to the care of the child.</p>
Equality/Diversity Implications	<p>Children who are Looked After are already vulnerable and disadvantaged. There is clear evidence that high quality foster care improves life chances for children across a range of social, health and educational indicators. The establishment of a competitive support package for Trafford foster carers will benefit children in the care of Trafford Council who will be able to be matched from a larger cohort of foster carers, and enable more children to be placed locally thus increasing their ability to access local services. This will improve the matching process and will increase placement stability. Placement stability is a key determining factor in achieving good health and educational outcomes for Children Looked After.</p>
Sustainability Implications	<p>It is anticipated that savings will start to be made in 2018/19 which will enable the cost of increasing the fostering allowance to be met by the reduction in spending on external provision.</p>
Resource Implications e.g. Staffing / ICT / Assets committed to finding	<p>There will be additional resources required in the foster care team to provide the required support and training to the increased number of foster carers. Some of these resources will be required on a temporary basis and so are subject to a request for funding via a bid to the transformation fund.</p>
Risk Management Implications	<p>Risks</p> <p>1. Not increasing allowances</p> <p>This primarily has two main risks:-</p> <p>a) our ability to recruit new foster carers will be compromised, and therefore will not achieve a reduction in looked after children placement costs, and</p> <p>b) we will start to lose existing foster carers to our competitors, mainly IFA's, and other local authority areas, predominantly Manchester.</p> <p>2. Risks if we increase our allowances to the proposed level</p> <p>The key risks and mitigating factors are explained in more detail below and we take the view that the risks associated with category 2 outweigh those associated with category 1 and the reasons for this are set out below.</p>
Health & Wellbeing Implications	<p>An increase in fostering placement capacity will improve placement stability which is a key determining factor in achieving good health and educational outcomes for Children</p>

	Looked After.
Health and Safety Implications	Not applicable

1.0 Background

The recent increase in numbers of children in care has led to our numbers of children using higher cost out of borough residential provision doubling in the last 12 months at an additional annual cost of circa £1.9m. Our numbers of children using agency foster placements has also risen significantly over the last 12 months with an additional 25 children using this provision at an additional annual cost of circa £1.1m. This cost has formed a major part of the over-spend in the looked after children's placement budget.

The increase in use of external placements has primarily arisen because demand has outstripped supply for our in house foster care placements across all age ranges, but particularly for older children who have more complex needs. This has had a knock on effect in terms of placement stability with the number of children experiencing three or more placements increasing from 8.5% to 11.9% in the 11 months from 1st April 2016. One of the key factors in determining good levels of placement stability is having a strong supply of foster placements, with carers that possess a range of skills to enable placement choice and improved "matching" of children to foster carers.

While it is unlikely that all those children placed in external provision could have been accommodated in Trafford's own in-house fostering provision we are confident that 50% of those placed in residential accommodation and 80% of those in external foster placements would be a reasonable target to achieve with the right level of in-house provision.

We therefore plan to increase the proportion of children in care placed in our in-house provision from the current level of 54% to 70% over a period of time that will also see a reduction in overall numbers of children in care.

In recent years the fostering service has recruited an average of 14 new fostering households per year. Some carers for older young people are lost each year due to "Staying Put" arrangements that means some young people are remaining in placement beyond the age of 18 years old and so these carers do not have the capacity to continue fostering. It is clear that whilst our current recruitment activity has achieved some success, it does not fully meet the needs of the service in the longer term. It is likely that if we continue to offer the current financial package that, Trafford will not be able to recruit sufficient carers to reach our target of placing 70% of children with in-house foster carers.

Most fostering enquiries come through the internet. The increased use of online searches by applicants to 'shop around' to compare support packages and financial remuneration enables potential carers to research information about what different agencies can offer. Whilst we are not seeking to attract carers who are solely motivated by financial reward, recent economic uncertainty and related insecurities regarding household incomes inevitably results in potential carers needing to carefully consider and compare the financial packages on offer.

Funding & Costs

It is proposed that:

1. An increase in the weekly fostering allowance for carers of children in the younger age ranges, age 0-10 years by 50% is made with effect from 1 October 2017, so that they are comparable to those in neighboring local authorities. This is in recognition of the demands of caring for younger children, and the importance of high quality childcare and therapeutic work to nurture positive attachments for these children which will have lifelong impacts on outcomes regarding future placement stability,

education, and health and wellbeing outcomes. Also, our experience is that foster carers who start their fostering career caring for younger children, gain experience and confidence that often enables them to extend their age range in the future; and

2. An increase in the weekly fostering allowances for carers of older children age 11-17 yrs by 20% is made with effect from 1 October 2017, so that they are comparable to those in neighbouring local authorities and independent agencies. This will reflect the demands of caring for older children and will attract applicants who may have professional backgrounds and relevant work experience but would otherwise be unable financially to transfer to a career in fostering.

The table below outlines the costs of increasing the weekly fostering allowance for carers of children in younger age ranges, age 0-10 yrs by 50% and for carers of older children age 11-17 years by 20% with effect from 1 October 2017. The table also outlines the full year effect of 2017/18 savings and the savings that this will achieve by ensuring that Trafford is competitive across the region and able to increase the number of its in house foster carers, thereby reducing reliance on high cost external provision.

Table 1

Description	2017/18 £	2018/19 £	2019/20 £
Costs			
Increase in allowances from 1st October 2017	319,000	638,000	638,000
Savings			
Savings - Full year effect of current 2017/18 savings	-	(335,920)	(335,920)
Savings - Moving from External Fostering to In House Fostering in 2018/19	-	(439,920)	(549,900)
Total Savings	-	(775,840)	(885,820)
Grand Total	319,000	(137,840)	(247,820)
Pay back period - within 2 years		181,160	(66,660)

Table 1: Cost Benefit Analysis

Allowances payable are calculated

- a) Based on age ranges that are broadly common to all fostering providers:
 - Babies
 - Pre-Primary
 - Primary
 - 11-15yrs
 - 16-17years
- b) Fostering providers then usually pay additional amounts across each age category dependent on a number of factors including the experience of the foster carers, their level of training, and the complexity of need of the child placed.

Based on these factors, table 2 contained in Appendix A summarises the Trafford position relative to other local authorities in the North-West. Green highlights LA's that pay the highest rate in each of the age categories (Max & Min); Red highlights those LA's that pay the least in each of the categories.

To calculate the cost of increasing our current allowances as suggested above we have calculated the impact on the existing cohort of foster carers with children currently in

placement (foster carers do not receive an allowance if they do not have any children in placement).

On this basis the cost of increasing the Trafford fostering allowance for the current carers as proposed is estimated to be £638,000 per year.

The impact of a reduction of external residential and IFA placements has already been considered in the overall Children's savings programme for 2017/18 and there will be a full year effect of this in 2018/19. The impact of the additional recruitment/capacity to enable children to move from an IFA placement to an in house one is as follows:-

- An additional 15 placements with a saving of £423 per week (assuming that a child steps down from an IFA placement to Trafford's own fostering provision), would result in a saving of £329,940
- An additional 20 placements with a saving of £423 per week would result in a saving of £439,920.
- An additional 25 placements with a saving of £423 per week would result in a saving of £549,900.

The cost benefit associated with this plan is unlikely to be fully realised in year 1 due to the timescale for assessment and approval of foster carers which takes in the region of 6-9 months. In addition, some of those recruited will not be immediately in a position to take our children with more complex and higher end needs as it will take time to build their confidence and resilience through ongoing training and support.

The full investment summary indicates that the payback period would be less than 2 years. However, it should be noted that this also aims to ensure that the number of current in house placements are maintained and therefore costs do not rise.

Key risks:

1. Risk of not increasing allowances.

This primarily has three main risks:-

- a) our ability to recruit new foster carers will be compromised; and
- b) we will start to lose existing foster carers to our competitors, mainly IFA's and Manchester;
- c) the savings against the placement budget will not be achieved.

There are then follow on consequences:

- An inability to meet the needs of children with more complex needs that result from emotional health, behaviour, health and disability;
- A larger number of children placed outside Trafford who then lose their connection to local communities impacting on educational and health outcomes;
- Children becoming settled in external provision and remaining there on a long term basis resulting in long term higher level financial commitment;
- Reduced levels of placement stability due to limited placement choice resulting in unnecessary "apparent" escalation of need and use of more acute, high cost placement options;
- Increased costs as existing internal foster carers are lost and more children require placing with IFA's.

2. Risks if we increase our allowances to the proposed level

- We do not successfully recruit, and fail to retain enough existing carers in order to achieve the required numbers of additional foster carers that will enable us to realise the necessary savings to cover the costs of increasing allowances;
- We are unable to step down the required number of children from external provision e.g. because the Independent Reviewing Officers enter dispute resolution procedures and freeze placement moves;
- The proposed allowance increases are insufficient to increase our competitiveness.

A successful recruitment strategy is essential to ensuring we are able to recruit the necessary numbers of additional foster carers. This will be achieved through, a range of methods including:

- Offering a recruitment incentive to existing foster carers who refer people to Trafford from within their own networks.
- Regular targeted advertising through local media outlets including radio and newspapers, posters, leaflets and stands in supermarkets, other retail outlets and at local venue's and events.
- Use of our existing foster carers in communicating the message about fostering for Trafford.
- Ongoing regional collaboration to ensure better use of joint resources to increase purchasing power in terms of access to recruitment opportunities e.g. advertising campaigns, and to try new and innovative recruitment methods, and to learn from practice about the most productive recruitment activities.
- Linking in with Pennine Care colleagues to ensure we maximise the benefits offered by our working partnership. We have already held discussions with the Pennine Care media team about using their own newsletters as a medium for foster care recruitment.
- Emphasising the unique selling points of fostering for Trafford e.g. better service because children's social workers, fostering social workers, and health colleagues provide a truly integrated service, Trafford being judged as Good by Ofsted and providing an Outstanding service for its care leavers.
- Talking to IFA carers who have Trafford children placed with them about the possibilities and advantages of being approved by Trafford.

Alongside our recruitment strategy Trafford ensures a robust approach to retaining our existing foster carers and we will do this by:

- Providing high levels of support across the service that enable foster carers to cope in times of stress, including the availability of support out of hours where necessary, and attendance at support groups.
- A highly regarded training and development offer co-ordinated from within the fostering team and focussed on the needs of a diverse range of foster carers who are all at different stages of their career.
- Improved allowances and payment structure that enables financial progression.
- Involvement in the delivery of the service through foster carer recruitment, and governance arrangements that include the foster carer forum & representation at the Corporate Parenting Group, and an annual foster carer survey.
- We are in the process of implementing a Peer Support and Mentoring system for less experienced foster carers, and for those who might be experiencing placement difficulties.

- Respite care arrangements to facilitate time off for important family events.
- Automatic membership of “Fostertalk”, a national organisation that provides independent advice, guidance and assistance to foster carers.
- “Max Card” discounts for use in a range of local retail outlets and entertainment venue’s.

Other mitigating factors

- Ongoing tracking of all cases identified through the recently implemented Placement panel to ensure savings.
- Any in-house placements not utilised in-house do not incur ongoing costs
- Targets regularly reviewed in line with the overall plan to transform children’s services.
- Monitoring of position on a regular basis to understand quickly and seek to take remedial action.
- Additional places provide improved placement choice, and stability for future placements even if placements are not utilised as part of the step down arrangements for existing children placed out of borough.

2.0 Other Options

Trafford could continue to use external provision for children we are unable to place in house. This will lead to continued high levels of spending with external providers with which Trafford will have little control with regards to future costs. This will not be cost effective, and will provide no better outcomes for the children and young people concerned.

Trafford could increase allowances by a smaller percentage however we would continue to be disadvantaged with regards to foster carer recruitment as we would continue to be offering less than other neighbouring local authorities. Manchester City Council is a significant local competitor and a smaller percentage increase would compromise the effectiveness of foster carer recruitment as there would be a significant risk that applicants would apply to Manchester instead. Manchester already has a significant advantage as they have a larger population of Children Looked After and therefore carers fostering for Manchester are likely to have more children placed, more of the time.

3.0 Consultation

There are no consultation requirements in relation to this particular issue. No employees are affected by the proposal, and foster carers will be happy to accept an increase in their allowances.

4.0 Recommendations

1. That the weekly fostering allowance for carers of children in younger age ranges, age 0-10 yrs be increased by 50% so that they are comparable to those in neighbouring local authorities with effect from 1st October 2017.
2. That the weekly fostering allowances for carers of older children age 11-17 years be increased by 20% so that they are comparable to those in neighbouring local authorities and independent agencies with effect from 1 October 2017.
3. That this decision be deemed to be urgent, for the reasons set out in paragraph, 5.0 below, and not subject to call-in.

4.1 Reasons for Recommendation

Children placed with Trafford foster carers are more likely to be able to live in familiar, local communities, to maintain important social relationships with friends and family members and be able to continue in existing school placements. With in-house foster carers the service is able to achieve a high level of direct governance and oversee robust and systematic quality assurance processes at first hand, with all foster carers. Children’s social workers and Supervising Social Workers for foster carers are located in one agency which facilitates working together relationships in the team around the child.

The higher increases for carers of younger children are proposed in order to align Trafford allowances with those across the region. The higher increases for carers for younger children are also proposed in recognition of the demands of caring for younger children, and the importance of high quality childcare and therapeutic work to nurture positive attachments for these children which will have lifelong impacts on outcomes regarding future placement stability, education, and health and wellbeing outcomes. Also, our experience is that carers who start their fostering career caring for younger children, gain experience and confidence that often enables them to extend their age range in the future.

The potential savings related to this proposal are clear. In house foster placements provide excellent, value for money. The proposed highest rate of an in house fostering allowance for a young person age 16/17 yrs is £465.12 which is over 40% lower than the average cost of a placement in an Independent Fostering Agency (£844). The average cost of a residential out of borough placement is £3,406, over seven times higher.

5.0 Urgency of Decision

This report should be considered as 'urgent business' and the decision exempted from the 'call-in' process for the following reason(s):

- a) The proposal relates to implementation from 1st October 2017 and so decision is needed in order to make the necessary changes to the payment system in good time.
- b) There is an urgent need to recruit foster carers. The process of approval takes around 6 months and the service will need to publicise the increase in fostering allowances as soon as possible to achieve savings to the placement budget during the financial year 2017-18.
- c) Delay in the process will compromise the effectiveness of recruitment activity, risk existing foster carers leaving the service to join other fostering service providers, and reduces opportunities to make savings.
- d) Any delay is likely to have a detrimental impact on performance in relation to existing recruitment projections, and budgets.

Key Decision (as defined in the Constitution): Yes
If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance (type in initials).....NB.....
Legal Officer Clearance (type in initials)....JLF.....



[CORPORATE] DIRECTOR'S SIGNATURE *(electronic)*.....

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To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

Table 2: Neighbouring Authority In House Foster Care Allowances – 2016/17

Local Authority	Babies (£pw)		Pre-primary (£pw)		Primary (£pw)		11 to 15 (£pw)		16 to 17 (£pw)	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
National Minimum	123.00		126.00		139.00		159.00		185.00	
Blackburn with Darwen	131.37	500.00	131.87	500.00	149.90	500.00	186.48	500.00	226.66	500.00
Blackpool	163.00	253.00	166.00	256.00	179.00	269.00	199.00	289.00	225.00	315.00
Bolton	123.00	261.71	126.00	264.71	139.00	272.28	159.00	557.10	185.00	587.62
Bury	126.00	236.00	139.00	236.00	159.00	249.00	159.00	525.00	185.00	525.00
Cheshire East	144.90	308.84	144.90	308.84	164.22	328.86	202.23	366.17	244.37	408.31
Cheshire West and Chester	191.28	284.94	191.28	284.94	209.24	302.90	245.14	338.80	284.65	378.31
Cumbria	160.09	252.70	160.09	252.70	173.11	265.72	193.27	285.88	227.64	320.25
Halton	162.00	257.00	162.00	257.00	201.00	298.00	201.00	298.00	244.00	340.00
Lancashire	126.00	356.00	126.00	356.00	139.00	369.00	159.00	389.00	185.00	415.00
Liverpool	130.10	574.63	133.27	577.80	149.40	593.93	178.49	623.02	215.50	660.03
Manchester	226.00	326.00	226.00	236.00	264.00	364.00	309.00	409.00	335.00	435.00
Oldham	125.09	465.85	125.09	465.85	142.52	483.28	177.38	518.14	215.74	556.50
Rochdale	126.00	266.00	126.00	266.00	139.00	419.00	159.00	439.00	185.00	465.00
Salford	123.00	248.00	126.00	251.00	139.00	562.50	159.00	582.50	185.00	612.50
St Helens	125.08	250.16	125.08	250.16	142.49	284.98	177.34	354.76	215.75	431.50
Stockport	228.34	228.34	228.34	228.34	240.66	240.66	347.55	379.05	414.61	414.61
Tameside	123.00	229.00	126.00	132.00	139.00	288.00	159.00	330.00	185.00	355.00
Trafford	123.00	200.00	126.00	172.20	139.00	219.60	159.00	346.52	185.00	387.60
Warrington	125.09	295.00	125.09	295.00	142.52	295.00	177.38	495.00	215.74	495.00
Wigan	195.00	245.00	198.00	248.00	211.00	261.00	231.00	532.00	257.00	586.00
Wirral	123.00	261.04	126.00	264.04	139.00	277.04	159.00	297.04	185.00	323.04
NW Average (Mean)	143.72	298.66	145.60	293.33	161.85	338.99	189.41	422.30	223.33	453.81
Proposed Revised Allowance	123.00	258.30	126.00	258.30	139.00	285.15	159.00	419.30	185.00	465.12

Table 2 excludes information relating to Knowsley & Sefton. Information relating to Manchester has not been taken into account to calculate the averages due to late inclusion. It is however the case that, a) that Manchester pay significantly more than Trafford across all categories, and b) inclusion of the Manchester figures increases the average NW fostering allowance payment.