

TRAFFORD COUNCIL

Report to: Executive
Date: 1 Dec 2014
Report for: Decision
Report of: Executive Member for Children's Services

Report Title

Increasing the Skills Payments Element of Foster Carer Allowances of Children aged 0-10 years for financial year 2015/16

Summary

This report sets out the rates paid to Trafford Foster carers. It sets out the issues that the low levels of skills rates raises and the impact this will have on the recruitment and retention of foster carers. It outlines the options for 2015/16.

Recommendation(s)

1. To agree the recommended course of action; Option 2 in relation to all foster carers for children under the age of 10 for the financial year 2015/16. All foster carers for children under the age of 10 years are paid a guaranteed £200 per week for the first child in placement. Foster carers would receive the current allowances on the current payments schedule for any second or third child placed. The cost of this would be just over £100,000 a year. This proposal would allow Trafford to be competitive with other local authorities and represents the most cost effective option.

Contact person for access to background papers and further information:

Name: Sally Rimmer
Extension: 3977

Background Papers: None

Implications:

Relationship to Corporate Priorities	As Corporate Parents the Council is committed to meeting the needs of children who are in the care of Trafford Council. This proposal increases the opportunity to continue to place younger children with in –house Trafford foster carers.
Financial	The cost of sustaining any increase in future foster care allowances would be funded from the savings from the Re location of Fairview project.
Legal Implications:	The Council has a legal responsibility to ensure a sufficient number of suitable placements are available to children in care. The increase in allowances will enable Trafford to retain current levels of provision and recruit new placements for younger children.
Equality/Diversity Implications	An initial impact assessment indicates that there are no identified negative or adverse diversity or equality implications associated with this initiative.
Sustainability Implications	The cost of sustaining any increase in future foster care allowances would be funded from the savings achieved in the Children in Care budget.
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	<p>The current low level of payments will potentially impact on our retention of foster carers. Several foster carers have discussed the higher allowances offered by other LA's and have stated that they want to continue fostering with Trafford but that Trafford's low payments make the affordability of fostering for Trafford a real difficulty.</p> <p>The failure to recruit sufficient numbers of Trafford foster carers will increase our dependency on placements for younger children from Independent Fostering Agencies. Agency placements are significantly more expensive than in house placements.</p>
Health & Wellbeing Implications	The increase in payments will enable children in care to be placed with in -house local Trafford foster carers. It is envisaged that this will positively impact on the health and wellbeing of the children placed. Children will remain living in Trafford placements; accessing local schools, have easy access to retain contact with family and friends and immediate access to children in care services.
Health and Safety Implications	Not applicable

1.0 Background

- 1.1 Trafford Foster carers receive a weekly fostering allowance. Trafford pays the lowest weekly allowances for babies and younger children and this impacts on its ability to recruit new foster carers for this age group. Whilst Trafford is able to offer good support to carers, it is not able to compete with the financial support that is paid by other neighbouring North West Local Authorities. The result is that it is not competitive in the local market.
- 1.2 This report confirms the basic amount paid by Trafford is paid in-line with the national allowances recommended by the Fostering Network, but the low level of the skills payment equates to a lower total payment than what is paid by neighbouring local authorities. Foster carers in Band 1 receive the basic allowance only.
- 1.3 Foster Carer allowances are made up of a basic allowance plus a skills payment. Foster carers who undertake training and increase their skills are able to work up the bands and increase the level of skills payment that they receive.
- 1.4 Foster care allowances in Band 2 to Band 5 are made up of the Basic allowance plus a skills payment. Trafford currently pays allowances across different age groups, the older the child the higher the allowance paid. It is proposed to make no increase to the Basic Allowances therefore there will be no proposed increase for Band 1 foster carers. An example of how the payments are made up for Band 2 carers is shown below. Carers in band 1 receive no skills payment. Foster carers who undertake training are able to work up to band 5.

Trafford's Schedule of Payments to Foster Carers (Example of Band 2)

Band 2

<u>Age (years)</u>	<u>Basic Allowance</u>	<u>Skills Payment</u>	<u>TOTAL</u> (To nearest 10p)
0 – 1	£119.00	£25.88	£144.90
2 – 3	£122.00	£23.54	£145.60
4 – 7	£135.00	£25.64	£160.70
8 – 10	£135.00	£51.27	£186.30

- 1.5 All nine neighbouring Local Authorities pay a similar basic allowance to foster carers who are approved to foster children 0-5 years old. It is the higher amount of skills payment that other local authorities are paying their foster carers that makes Trafford stand out as having the lowest foster care payments for carers of children aged 0-5 years.
- 1.6 The Skills Payment that Trafford pays to carers who foster children under the age of 5 years is very low and is significantly less than that which is paid by other North West local authorities.

1.7 Trafford's Skills payment ranges from £25.88 up to £49.33 whilst other LA's are paying from £60.00 up to £138.71. This is demonstrated in the chart below.

<u>Local Authority Allowances</u>	0-5 allowance £	Skills Payment £	Total £
Trafford	119.00	25.88 Band 2 increasing up to 49.33 in Band 5	144.90 (0-1 year old) Band 2 up to 184.40 (5 year old) Band 5
Manchester	137.18	100.00 (NVQ)	237.18 (inclusive +£50 for first child)
Tameside	112.00	100.00	212.00
Stockport	119.00	109.00	228.00
Salford	119.00	60.00-125.00	179.00 to 244.00
Bury	119.00	110.00	229.00
Bolton	119.00	138.71	257.71
Rochdale	171.76-189.86 level 1 130.14 – 148.25 Level 2	Level 1 receive no skills element 156.06 first child placed 78.03 2 nd or 3 rd child placed	171 76 – 189.86 Level 2 carers 286.20 (1 st child placed) 208.17 (2 nd child placed)
Wigan	119.00	skills element unknown	
Oldham	125.09	77.84 to 334.02	202.93 to 459.13

1.8 Even the Foster carers on Trafford's highest band (Band5 receiving £184.40) receive a much lower total weekly allowance than foster carers who foster for other Local North West Local Authorities.

Impact on Trafford Fostering Service

1.9 The fact that Trafford pays the lowest weekly allowances for babies and younger children impacts on our ability to recruit new foster carers for this age

group. Trafford is not competitive in the local market. Whilst Trafford is able to offer good support to carers, it is not able to compete with the financial support that is paid by other neighbouring North West Local Authorities. Research has shown that within each LA there will be an equal number of foster carers who foster for other agencies or other LA's equivalent to the number of foster carers fostering for the Council. Within Trafford this figure is estimated to be 88 fostering households. Trafford need to attract potential carers living in Trafford to foster for Trafford and not go to become foster carers for other LA's. In order to attract carers we need to offer a package of support that includes appropriate and competitive financial support. Whilst Trafford pay such lower rates of allowance there is a risk that our market of potential foster carers will go to foster for other LA's or Fostering Agencies.

- 1.10 There is also a significant impact on our existing foster carers and at a recent Foster Care Forum, foster carers approved for younger children ,reported that the allowance that they currently receive does not reflect the costs associated with fostering a baby. For example the costs of formula milk or managing breast milk, bottles, syringes, nappies, toys, high winter heating costs, costs associated to supporting regular contact with family, high costs of clothing as the child grows quickly at this age, increased laundry costs. Foster carers have completed and submitted their own an analysis of costs associated with caring for young children under 5years old and their report substantiates a view that the current level of payments to foster carers does not sufficiently reflect the true costs of delivering care to younger children.
- 1.11 The current low level of skills payments will potentially impact on our retention of carers. Several foster carers have discussed the higher allowances offered by other LA's and have stated that they want to continue fostering with Trafford but that Trafford's low payments make the affordability of fostering for Trafford a real difficulty.

Impact on Sufficiency of In House Foster Placements

- 1.12 If Trafford fail to recruit sufficient numbers of Trafford foster carers it will increase its dependency on placements for younger children from Independent Fostering Agencies. Agency placements are significantly more expensive than in house placements. The average cost of an agency placement using the North West Fostering Contract tier 1 provision is £623.36 per week (£32,414 per year) for a child 0-4 years.

2.0 Options

- 2.1 From the evidence it is clear that Trafford pay lower skills payments, to foster carers of children 0-5 years, than other North West Authorities. The options for addressing the situation in 2015/16 are set out below.
- 2.2 In considering any changes to the foster care allowance it should be noted that under the current schedule of payments any increase in the skills

payments for children under the age of 5 will create a need to make an adjustment in the skills payments to foster carers for children aged 8-10; otherwise carers of children aged 8 years would receive less than the carers who foster children aged 5 years.

2.3 The following options are ways in which the allowances could be increased. The Family Placement Budget for 2015/16 would need to be increased to reflect these increased payments.

2.4 **Option 1**

2.5 That the current skills payments element of the fostering allowance for foster carers for children aged 0-7 be increased by £50. An adjustment in the skills payment for foster carers fostering children aged 8-10 years would also be necessary to increase payments to reflect a payment scale that increases in line with the age with the age of the child. An increase to the skills payment element of the fostering allowance for age 8-10 years of £24.50 would be sufficient to retain payments which increase with the age of the child.

2.6 The implementation of this action would cost £195,000 over the course of a year and would appear to be a financially prohibitive option.

2.7 **Option 2**

2.8 All foster carers for children under the age of 10 are paid a guaranteed £200 per week for the first child in placement. Foster carers would receive the current allowances on the current payments schedule or any second or third child placed. The cost of this would be just over £100,000 a year.

2.9 This proposal would allow Trafford to be competitive with other local authorities and represents the most cost effective option.

2.10 **Option 3**

2.11 No action is taken to increase foster carers allowances and Trafford risks the impact as described above on recruitment and retention.

2.12 This is not advised as any loss of in house foster care provision will impact on increased budget demand for more expensive Agency foster placements

Consultation

2.13 Consultation with Foster carers and research into foster carer allowances across the Northwest has been considered in the preparation of this report.

Reasons for Recommendation

2.14 It has been recommended that all options be considered to increase the skills payment element of foster care allowances for foster carers of children 0-10 years for financial year 15/16. This could bring Trafford in-line with other North West authorities and enable Trafford to continue to recruit and retain foster carers for children in this age group.

2.15 It is recommended that Option 2 be progressed. All foster carers for children under the age of 10 years are paid a guaranteed £200 per week for the first child in placement. Foster carers would receive the current allowances on the current payments schedule for any second or third child placed. The cost of this would be just over £100,000 a year. This proposal would allow Trafford to be competitive with other local authorities and represents the most cost effective option.

Urgency of Decision The report is not classed as 'urgent business'

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

Finance Officer Clearance (type in initials)..... PH.....
Legal Officer Clearance (type in initials).....JIF.....

CORPORATE DIRECTOR'S SIGNATURE (electronic)



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To confirm that the Financial and Legal Implications have been considered and the Corporate Director has cleared the report prior to issuing to the Executive Member for decision.