

Select Committee on Children's Services – 26 March 2008

Report of the Director of Children's Services

Payment to Foster Carers - Fees and Allowances

Purpose of Report

1. To set out the current fees and allowances paid to Dudley's foster carers, current pressures on the service and proposals for future developments of the service.

Background

2. Dudley fostering service provides family placements to children looked after by DMBC when this is the agreed option. The principle of the service provision is to provide looked after children in foster care with an experience of family life which promotes their physical and emotional well being and happiness throughout their childhood.
3. The fostering team consists of a Service Manager, Assistant Service Manager, Senior Practitioner, 10 Social Workers, and Administrative Support. The team recruits, assesses, trains and supports carers.
4. Foster carers receive an allowance for children placed with them and in addition the more experienced carers receive a fee in addition to the age related allowance for the child.
5. In February 2006 a fundamental review of the current fee structure for foster carers was commissioned. This was in response to national research regarding the true cost of fostering, pressures on internal placements because of the rise of the looked after population and the developing market with increasing competition from the private sector.
6. The scope of the review covered:
 - payment of allowances
 - payment of retainers
 - payment of fees
 - progression between fee levels

7. The last major review of fostering allowances took place in 1996 when Dudley engaged the National Foster Care Association to assist in developing proposals to take the fostering service forward in the context of developing placement choice and responding to the needs of an increasingly complex group of children who were being looked after.
8. As a result of the 1996 review a recommendation was made to introduce a fee paid scheme that recognised foster carer skills and abilities and rewarded them appropriately. Dudley was at that time at the forefront of local authorities introducing the fee paid scheme to mainstream carers.
9. A partial fee-paid scheme was introduced in 1998/99. Criteria for Level 1, 2 and 3 carers was agreed to reflect levels of experience of carers and to provide a career progression framework for carers. The introduction of a partial scheme was a reflection of the budget available for investment at that time with fees only being paid to level 2 and 3 carers. It was anticipated that the full scheme would be implemented over a number of years with an expectation that within five years the majority of carers would be at Level 2, with a small number at Level 3 and a minority of new inexperienced carers at Level 1 but all being in receipt of a level of fee in addition to the fostering allowance.
10. At this time the fostering allowance was increased by 50% above the NFCA (National Foster Care Association) minimum recommended rate. This was strongly supported as it meant that all carers benefited from the new scheme. Dudley has subsequently maintained its fostering allowances in line with Fostering Network recommended rates which are over and above inflationary increases allowed for by the Council.
11. The investment in fee-paid fostering has continued although the full recommendations of the original scheme have not been implemented due to affordability.
12. The fee level structure is well embedded in Dudley's Fostering Service and the 2006 view concluded that it is still fit for purpose. However:
 - Dudley has managed to maintain its carers and not lost significant numbers to independent fostering associations over recent years but there is growing competition from the private sector as the market has developed and the number of fostering agencies has increased. The rates paid by such organisations far exceed Local Authority rates.
 - Dudley is now falling behind its Black Country neighbours in respect of allowances.

- The complexity of children's needs and demands on carers has increased and remuneration and reward is a significant factor in attracting, recruiting and retaining foster carers.
 - The demand for carers outstrips the supply and therefore matching of children to carers is limited. This results in some extremely complex children being placed with less experienced and non-fee paid carers. This is a source of concern as carers are not being remunerated for the tasks they are undertaking.
 - The looked after population in Dudley is rising and therefore the demand for placements is increasing. The majority of looked after children are in foster placements and the cost of a fostering placement is considerably less than residential placement and represents good value for money and produces positive outcomes for young people.
 - A number of carers have signalled their intention to move to independent agencies. 6 carers have already left us to join independent agencies with at least 2 with children in placement. If we have children in placement we have a choice to disrupt the placement, which is not in children's best interests or to, buy back the placement from the agency usually at a unit cost that is 2-3 times higher than internal provision.
13. The implications of non investment in the fostering service will be significant in years to come and will result in increasing reliance on external and independent sector placements. The average unit cost of an independent sector placement is £530 per week compared to an in-house placement which is £314 per week. We need to remain viable and competitive in the market to ensure that we have a sufficiency of in-house provision and that children have realistic placement choice. The careful matching of children to placements is a significant factor in ensuring placement stability and promoting better outcomes.
14. Appendix 1 shows the cost comparators with neighbouring boroughs
15. The fostering service was recently inspected by OFSTED. This is an annual inspection. 2007 inspection judged that the service was meeting all of the fostering standards and was judged overall as good. The initial feedback from the 2008 inspection reflects some of the concerns outlined above and highlights that the service is resource rather than needs led which may lead to an inadequate judgement in respect of safeguarding. The outcomes of the inspection will be reported to a future committee.

Finance

16. The implementation of a revised fee structure for Dudley foster carers will require an investment of £300,000. This will require a re-direction from within budget to ensure that we retain a viable in-house fostering service.

Law

17. Local Authorities have a duty to provide accommodation for any child in need within their area who appears to require accommodation as a result of (a) there being no person who has parental responsibility; (b) being lost or abandoned; (c) the person who has been caring for him/her being prevented (whether or not permanently, and for whatever reason) from providing him/her with suitable accommodation or care. (Children Act 1989). Fostering Services are regulated and inspected under the Care Standards Act 2002 which introduced the Fostering Services Regulations 2002 and the National Minimum Standards. These provide the current framework for the day-to-day operation and management of fostering services. Under the NMS we are required to review fees and allowances annually.

Equality Impact

18. The maintenance and development of a local authority fostering service will enable the Council to discharge its duties under the children Act 1989 and 2004 and its corporate parenting responsibilities. This service contributes to providing safe and secure accommodation for vulnerable children who are unable to reside with their birth families and in doing so promotes improved outcomes. It is also important that we are able to recruit carers from a range of backgrounds and cultures in order to meet the needs of the children that are in our care. The provision of a realistic and comparable fee and allowance structure will improve our ability to do this.

Recommendation

19. That Committee note the current service and budget pressures on the fostering service and comment on the proposals for future development of the service.



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Local Authority Comparisons

Wolverhampton	Birmingham	Walsall	Sandwell	Worcestershire
<p>Have abandoned payment for skills and have introduced a single weekly payment to all carers all £160.00. This is paid if no child in placement.</p>	<p>4 levels, fee paid to almost all carers as most commence on Level2.</p>	<p>4 levels – level is used where carers opt to be unpaid for caring for the child. New carers commence Level 2.</p>	<p>All new carers receive a fee when child is placed - £76.88 per week.</p>	<p>All carers are paid when a child is placed – however lower level than other authorities contacted. They are in process of reviewing their system of payments for 2007.</p> <p>Using these examples if one 9 year old child is placed with a new carer in the 6 local authorities mentioned we in Dudley pay the lowest at <u>£130.90</u>. A Wolverhampton carer would receive £290.85.</p> <p>If the same child is placed with a Level 2 carer the situation improves slightly in Dudley as they would receive more than if they fostered for Worcestershire or Birmingham by approximately £35.00 per week.</p> <p>We only compare favourably when we place 2 children with a Level 2 carer as things currently stand, and with what we pay our Level 3 carers.</p>