

**17 March 2014****Agenda Item: 10****REPORT OF THE SERVICE DIRECTOR, CHILDREN'S SOCIAL CARE****NATIONAL MINIMUM FOSTERING ALLOWANCES AND FEES TO FOSTER  
CARERS****Purpose of the Report**

1. This report proposes that Nottinghamshire County Council continues to pay its foster carers the National Minimum Fostering Allowances, at the rates prescribed by the Department for Education. Allowances are payments made by the Local Authority, to its foster carers, for the living costs of fostered children.
2. This report proposes that the Council maintains the payment rates, as set in 2013/14, in its additional and specific fostering allowances/fees to its foster carers. Due to budgetary control measures, the Council is unable to provide an inflationary increase to these payments. This is the fourth successive year in which additional/specific fostering allowances, and fees to foster carers, have not been increased.
3. This report proposes that the Council makes revision to the way in which officers authorise payments to foster carers.
4. This report recommends that the Council introduces a new fee structure for foster carers looking after children aged eleven years and over.

**Information and Advice**

5. The Children Act 2004 (Section 49) introduced new powers for the Government to compel local authorities to pay foster carers at prescribed rates.
6. On 27 July 2006, the Department for Education and Skills (DfES) announced the recommended rates for the National Minimum Fostering Allowances for Foster Carers. These rates were effective from 1 April 2007. The Council has previously agreed to pay these recommended rates each year since 2007. Prior to March 2011 other additional/specific fostering allowances, and fees to foster carers, were annually inflated by the rate of inflation as determined by the County Council.
7. Nottinghamshire currently pays its foster carers a weekly allowance and makes available other additional and specific allowances to pay for disturbance costs (where a child is placed with a foster carer with less than 24 hours notice), immediate clothing and school

uniform costs and additional costs in meeting the individual needs of particular fostered children.

8. The report proposes that the Council continues to pay its foster carers the National Minimum Fostering Allowances, at the rates prescribed by the Department for Education. These allowances are payments made by the Local Authority, to its foster carers, to cover the costs involved in looking after a fostered child. Nottinghamshire currently pays its foster carers a weekly allowance of £119 (for a child aged 0-4 years), £132 (for a child aged 5-10 years), £151 (for a child aged 11-15 years) and £175 (for a child aged 16-17 years).
9. The Department for Education has increased the weekly rates, for 2014/15 by 2%. (This was consistent, at the time, with the most recent forecast rate of inflation for 2014 as measured by the Consumer Price Index). This increase was anticipated and has been factored into the budget for basic fostering allowances. The rates prescribed by the Department for Education for 2014/15 are:
  - £122 (for a child aged 0-4 years)
  - £134 (for a child aged 5-10 years)
  - £154 (for a child aged 11-15 years)
  - £179 (for a child aged 16-17 years).
10. 885 children were looked after by the Local Authority as at 30 November 2013. Of these 885 children, 658 children (74%) were placed in foster care. 252 of these children were placed with an Independent Fostering Provider and 406 of these children (61% of all children placed in foster care; 49% of all looked after children) were placed with a foster carer approved by Nottinghamshire County Council.
11. Foster carers approved by the Council provide a best value care placement when compared with other care providers. An internal fostering placement costs the Local Authority approximately 50% less per annum than a fostering placement purchased in the independent fostering sector. The expansion of internal fostering has been a priority identified within the Children's Social Care Transformation Programme.
12. As part of the Transformation Programme, existing business practices have been reviewed and anomalies identified. Changes need to be made to the way in which payments are made to foster carers. As an efficiency measure, the decision making and authorising activity should be delegated to: the foster carer's supervising social worker (for all fixed rate/child related specific allowances); the fostering team manager (for all foster household equipment requests; the payment of large family transport allowance and fee progression through the Payment for Skills scheme); and the group manager (access to resources) for specific fee payments to foster carers.
13. The payment of the large family transport allowances needs to be inclusive of all foster carers, including fee paid foster carers (fostering futures/emergency fostering/ contract care).
14. The Transformation Programme also identified the need for the Local Authority to continue to increase its provision of fostering placements for children aged 11 years and over. It is difficult to find foster homes for this age group. A new fee structure is proposed

for foster carers who provide a placement for children aged 11 years and over. The 11plus scheme requires a foster carer to be home based and to be able to provide transport to meet a child's travel needs. The child should have her/his own bedroom and the child must be aged 11 years or over at the time of placement. When this eligibility criteria is met, the foster carer will receive a weekly fee of £200 (£10,400 per annum) in addition to the child related fostering allowances. It is proposed that the 11plus scheme replaces the Authority's existing 14plus scheme. With a reconfiguration of existing fostering budgets, there is sufficient budget capacity to recruit eighteen 11plus placements in 2014/15.

### **Other Options Considered**

15. The Authority is required to pay the National Minimum Fostering Allowances (Section 49, Children Act 2004; Standard 28.1 National Minimum Fostering Standards 2011). No other options have been considered.

### **Reason/s for Recommendation/s**

16. The Local Authority is required by law to pay its foster carers the National Minimum Fostering Allowances.
17. Payment of the National Minimum Fostering Allowances ensures the Authority's compliance with Section 49, Children Act 2004
18. The unit costs in processing payments to foster carers will be reduced by changing the way in which payments are authorised. This is an efficiency measure for the Authority and will improve levels of foster carer satisfaction
19. The Authority needs to be creative and competitive (with the independent fostering sector) in attracting foster carers to care for children aged 11 years and over. It is indicated that the proposed 11plus scheme will support the Authority in placing more children, of this age, with internal foster carers and thus reduce the need for more expensive independent fostering options.

### **Statutory and Policy Implications**

20. This report has been compiled after consideration of implications in respect of finance, public sector equality duty opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

21. The prescribed rates for 2014-15 represent an increase of 2% on last year's rates. This annual inflationary increase was anticipated and is included in the Children's Social Care division's 2014-15 budget.

22. The changes to business practices in making payments to foster carers will be made within existing staffing capacity and will therefore not result in a cost or saving to the service.
23. The introduction of the 11plus payments will be funded by savings in ad hoc payments made to foster carers; therefore all payments can be met from within the budget set for 2014-15.

## **RECOMMENDATION/S**

That:

- 1) Nottinghamshire County Council pays its foster carers a weekly fostering allowance, at the national minimum rates prescribed by the Department for Education, as detailed in paragraph 9 of the report.
- 2) Nottinghamshire County Council introduces changed business practices to improve its efficiency in the making of payments to foster carers.
- 3) Nottinghamshire County Council introduces a fee paid scheme (11plus) with effect from 1 April 2014.

**Steve Edwards**  
**Service Director, Children's Social Care**

For any enquiries about this report please contact:

Jayne Austin  
Fostering Service Manager  
T: 0115 977 4154  
E: jayne.austin@nottsc.gov.uk

## **Constitutional Comments (initials xx/02/14)**

24.

## **Financial Comments (KLA 19/02/14)**

25. The financial implications of the report are set out in paragraphs 21 to 23 above.

## **Background Papers and Published Documents**

None.

## **Electoral Division(s) and Member(s) Affected**

All.

C0374