

21 March 2016

Agenda Item: 7

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 as detailed in **Appendix 1**.
2. This report also proposes that Nottinghamshire County Council simplifies the way in which it makes its payments for the specific or additional living costs of fostered children by paying the National Minimum Fostering Allowance plus a weekly supplement of £10 for each fostered child as detailed in **Appendix 2**.

Information and Advice

3. The Children Act 2004 (Section 49) introduced new powers for the Government to compel local authorities to pay foster carers at prescribed rates.
4. 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.
5. 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 twenty four hours' notice), immediate clothing and school uniform costs and additional costs in meeting the individual needs of particular fostered children.
6. The 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. 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 £126 (for a child aged 0-4 years),

£139 (for a child aged 5-10 years), £159 (for a child aged 11-15 years) and £185 (for a child aged 16-17 years).

7. The Department for Education has yet to announce the National Minimum Fostering Allowance rates for 2016/17. The Council has a legal requirement to pay the rates as prescribed by the Department for Education. It has been usual for allowances to be increased by the inflationary rate as determined by the consumer price index.
8. This report proposes that the Council makes changes to the way in which it pays for the specific or additional living costs of fostered children. The current system requires a request to be made for a specific or additional cost and a process of authorisation and payment then follows. Each request costs the authority £58 to £72 in officer and administration time. By simplifying the process, and adding a weekly fostering supplement of £10 to the weekly fostering allowance, efficiency in officer and administration time will be achieved.
9. The weekly fostering supplement will also ensure consistency and a greater level of fairness and equity than is currently evidenced. It is accepted that all children's needs are not equal and, within the changes proposed, there will still be provision for exceptionality to be applied and for exceptional payments to be made.
10. One area of challenge is the Council's response to requests for holiday allowances. There are 375 approved foster households within Nottinghamshire and there is a continuum of economic diversity within this community. With this diversity come different expectations of the type of holidays foster carers take. This report proposes that the Council makes available a lump sum of money available for a fostered child's holiday. The Council, as the corporate parent, needs to assert the amount which it can, in the current economic climate, afford to pay for the children in its care. The foster carer, as the public parent, needs to be clear as to the provision that is available. Historically, the ability for discretionary decision making has created some inequities and some feelings of disquiet for both foster carers and officers within the Council.
11. The proposal, to change the way in which the Council makes payments for the specific and additional living costs of fostered children, is not a budget reducing proposal. The proposal involves the redistribution of existing budget provision. If the proposal is accepted, the efficiency for the Council will be in reduced officer and administration costs.
12. The proposal for change has been consulted upon with the foster carer and staff communities. The feedback is mixed. Some of the feedback evidences a lack of understanding about the impact of the proposals. Most welcome a simplified payment system. Some are concerned about some of the intended provision - holiday grants in particular. If the proposal is agreed, a range of learning and promotional events will be provided for foster carers and staff to inform them of the changes and their impact.
13. 869 children were looked after by the Local Authority as at 19 January 2016. Of these 869 children, 433 were placed with a Nottinghamshire foster carer. Nottinghamshire's fostering service is the Local Authority's largest internal provider of placements for looked after children and 48.6% of all the children in the care of the Local Authority are living with a foster carer approved by Nottinghamshire. 68% of all the children in foster care are living

with a foster carer approved by Nottinghamshire compared with 32% with an independent fostering provider.

14. 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 £293 per week less than a fostering placement purchased in the independent fostering sector.

Other Options Considered

15. The Local 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.
16. The option to maintain the status quo in respect of specific and additional living costs for fostered children, with tighter control over the amount and authorisation activity, has been considered. However, in the context of the Council's continuous commitment to being an equitable and efficient corporate parent and aligned to the strategic direction of the Council (the delegation of decision making at the lowest managerial level possible), this option was dismissed.
17. The risks involved in making changes have been fully addressed in all the options considered. There is a low level of risk that some foster carers may feel dissatisfied with a change in their terms and conditions and may transfer to another fostering provider. This is considered to be a low risk as evidenced by the authority's excellent record in retaining foster carers and in attracting foster carers approved by other fostering providers to transfer to Nottinghamshire.

Reason/s for Recommendation/s

18. The Local Authority is required by law to pay its foster carers the National Minimum Fostering Allowances. Payment of the National Minimum Fostering Allowances ensures the Local Authority's compliance with Section 49, Children Act 2004. Whilst the Local Authority has a duty to maintain a child apart from the provision of accommodation (s22B Children Act 1989), and legally has to pay the National Minimum Fostering Allowances, it has discretion as to the way in which it pays for the specific and additional living costs of fostered children.

Statutory and Policy Implications

19. This report has been compiled after consideration of implications in respect of finance, public sector equality duty, 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

20. The changes to fostering allowances proposed in **Appendix 2** will be contained within the existing fostering payments budget.

RECOMMENDATIONS

That:

- 1) Nottinghamshire County Council pays its foster carers a weekly fostering allowance, at the national minimum rates, as prescribed by the Department for Education.
- 2) Nottinghamshire County Council changes the way it pays its foster carers for the specific and additional living costs for fostered children as detailed in **Appendix 2**.

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Constitutional Comments (SLB 03/03/16)

21. Children and Young People's Committee is the appropriate body to consider the content of this report.

Financial Comments (SAS 09/03/16)

22. The financial implications of the report are contained within paragraph 20 above.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Fostering Payments Consultation – Proposal for Changes to Allowances and Fees, February 2016.¹

Electoral Division(s) and Member(s) Affected

All.

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¹ <http://site.nottinghamshire.gov.uk/thecouncil/democracy/have-your-say/consultations/>