

15th July 2019

Agenda Item: 6

**REPORT OF THE SERVICE DIRECTOR, YOUTH, FAMILIES AND SOCIAL
WORK**

**NATIONAL MINIMUM FOSTERING ALLOWANCES AND LEVELS PAYMENT
RATES TO FOSTER CARERS 2019-20**

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 also seeks approval for the revised 'levels' payment rates to foster carers, as set out in this report.

Information

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 the 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. 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 £130 (for a child aged 0-4 years), £143 (for a child aged 5-10 years), £164 (for a child aged 11-15 years) and £191 (for a child aged 16-17 years). The weekly allowance, as of 1st April 2019, will increase to £132 (child 0-4 years), £146 (child 5-10 years), £167 (child 11-15 years) and £194 (young person 16+).

6. 875 children were looked after by the Local Authority as of 31st March 2019. Of the 875 children in the Council's care, 658 are placed in foster care (75.2% compared with 78.07% at the end of March 2018). Of these 658 children, 403 (61%) are placed with a foster carer approved by Nottinghamshire County Council. 39% are placed with an independent, external foster care provider.
7. Foster carers approved by the Council provide a best value care placement when compared with other care providers. An internal fostering placement costs the Council approximately £300 per week less than a fostering placement purchased in the independent fostering sector.

Proposed increase to fostering levels payments

8. On 11th February 2019 a report was approved by the Committee for investment in the development of the Fostering Service, primarily to significantly increase the number of Nottinghamshire foster carers and thus increase placement choice for looked after children at the best possible value for money.
9. The investment included an increase in the fees that the Council pays to its foster carers, as part of a strategy to attract new carers and retain existing carers. The Council is in direct competition with both independent fostering agencies and neighbouring Councils for good foster carers, and an increase in fees, alongside other improvements to the fostering offer, is expected to encourage more people to foster with Nottinghamshire County Council.
10. £300,000 was approved to pay for increased payments for existing foster carers, as part of the development strategy. The report to Committee in February set out the plan for this to be an invest-to-save initiative which has the potential to pay for itself as well as deliver savings to the children's placements budget.
11. Nottinghamshire foster carers and service colleagues were consulted on the optimum fee structure, and their feedback was noted.
12. Foster carers are paid a basic fostering allowance, as directed by the Department for Education. On top of this they are paid a 'levels' fee which reflects their experience and training. The current fee structure has four levels. In year one, new carers receive the basic fostering allowance only, with no levels fee.
13. The proposed fee structure has been reduced from four levels to three. Level one carers will receive a fee on top of the basic fostering allowance. This is in recognition of the service that all foster carers provide, and it is hoped that this will attract new carers.
14. The levels payment increase will be contained within the overall 2019/20 Fostering budget. It has been costed and is within the proposed £300,000 investment.
15. The proposed fee structure will apply a 29% increase to all levels payments. The new fee structure is as shown in the table below:

Current Levels	Current Levels payment per week	Proposed Levels	Proposed Levels payment per week	Increase per week	% carers on each level
Level 4 (5-18 yr-olds)	£108	Level 3 (5-18 yr-olds)	£139	£31	76%
Level 4 (0-4 yr olds)	£88	Level 3 (0-4 yr-olds)	£113	£25	2%
Level 3	£44	Level 2	£57	£13	4%
Level 2	£22	Level 1	£28	£6	4%
Level 1	£0	Level 1	£28	£28	13%

Family and Friends Carers

16. 'Family and Friends' foster carers or 'Kinship' foster carers, who are approved as child specific foster carers, are currently paid a regular weekly fostering allowance at the rate of a Level 1 foster carer, which is the very minimum payment. Many of these 'connected persons' secure permanency for the child in their care via Special Guardianship Orders (SGO), which is a positive outcome for the child in placement.
17. There are some Family and Friends foster carers that require ongoing support from Nottinghamshire County Council and consequently it is not deemed appropriate for the foster carer/s to seek a Special Guardianship Order. It is proposed that these carers be eligible to progress through the fostering levels payments, as they will be subject to the same training and development as mainstream foster carers.

Other Options Considered

18. 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.
19. Other fee structures were considered, including keeping four levels, and also applying varying increases across the levels instead of a blanket increase. It was felt that the absence of a levels payment at entry level would put some potential carers off, and that there are already variances built in to the fee structure to reflect the different challenges that different age groups present, so a blanket increase would maintain these.

Reason for Recommendation

20. 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 Authority's compliance with Section 49, Children Act 2004.
21. The reasons for the foster carer payments increase were set out in the report to Committee on 11th February 2019.

Statutory and Policy Implications

22. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment 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

23. The levels payment increase will be contained within the overall 2019/20 Fostering budget. It has been costed and is within the proposed £300,000 investment.

RECOMMENDATION

That:

- 1) Nottinghamshire County Council continues to pay foster carers a weekly fostering allowance, as detailed in **Appendix 1**, at the national minimum rates, as prescribed by the Department for Education.
- 2) Committee agrees the new 'levels' payment rates to foster carers, as detailed in **paragraph 15**.

Steve Edwards
Service Director, Youth, Families and Social Work

For any enquiries about this report please contact:

Ty Yousaf
Fostering Service Manager
T: 0115 97 72516
E: ty.yousaf@nottscc.gov.uk

Constitutional Comments (EP 20/06/19)

24. The recommendations fall within the remit of the Children and Young People's Committee by virtue of its terms of reference.

Financial Comments (SAS 24/06/19)

25. The cost of the increase in the levels payment is £200,000 in 2019/20 and a further £100,000 in 2020/21 which is a total cost of £300,000. This can be contained within the fostering allowances budget of £7,791,350 subject to the successful delivery of the fostering service development strategy.

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.

Development of the Fostering Service – report to Children and Young People’s Committee on 11th February 2019

Electoral Division(s) and Member(s) Affected

All.

C1263