

11 February 2019**Agenda Item: 15**

REPORT OF THE SERVICE DIRECTOR, YOUTH, FAMILIES & SOCIAL WORK

DEVELOPMENT OF THE FOSTERING SERVICE

Purpose of the Report

1. This report seeks approval of the proposal to develop and grow the Nottinghamshire County Council fostering provision in order to:
 - a) create more high-quality placements for Nottinghamshire children and young people
 - b) develop a positive culture within the service which will attract new carers as well as encourage existing carers to remain with the Council
 - c) reduce the pressure on the placements budget by avoiding the significant cost of external placements, and
 - d) secure the best possible value from the placements budget.
2. The report seeks approval to:
 - a) review payments to foster carers to support increased recruitment and retention
 - b) establish 3 FTE Supervising Social Worker (Band B) posts to manage the recruitment, assessment and supervision of the new carers
 - c) establish 3 FTE Fostering Family Worker (Grade 4) posts to provide support to foster placements and reduce placement disruption
 - d) bring a further report to the Committee with final proposals for a revised payment structure for foster carers.
3. The report also seeks approval to establish a 0.5 FTE temporary Project Manager (Band D) post and a 0.5 FTE temporary Programme Officer (Band B) post in the Programmes & Projects Team for 12 months to support the development and implementation of the proposal.

Information

4. There is a clear sense that some children and young people are not having the best placement to suit their needs, particularly if they are only being placed in a residential setting because not enough family settings are available. This could have lasting effects on their future potential.
5. There is some urgency to progressing with this work given the growing financial pressure on the children in care placements budget. This budget, which totals approximately £38m,

provides for the cost of accommodating Looked After Children (LAC) – be it in foster care (which may be Council or externally procured carers) or in residential settings (including semi-independent / supported accommodation for young people leaving care).

6. Exercising direct control over this budget is challenging as it is demand-led and discharges a clear and unavoidable statutory obligation placed upon the Council as a Corporate Parent. It was overspent by c£581,000 in 2017/18 and is projected to overspend again in the current year. This is a consequence of both an overall increase in the number of children coming in to care, together with a lack of in-house foster care capacity that is resulting in children being placed in more expensive settings that in some cases might also not align with their care plan.
7. There has been a steady increase in the overall number of children taken into care over the course of the past 6-12 months which goes beyond the usual month-on-month fluctuation. The number of LAC as at 27 November 2018 totals 886; this has increased by 43 since 26 June 2018. During the previous two financial years, the number of LAC has remained relatively static at around 800, with relatively modest monthly fluctuation above and below this figure. This increase in LAC is in line with the national picture and is not unique to Nottinghamshire. However, even with the increase the County Council still has comparatively lower LAC numbers than statistical neighbours and the England average.
8. It is not only the overall numbers of children and young people in care that brings financial pressure on placements budget; it is the mix of different types of placement in which the cohort of LAC are placed at any one time. In broad terms a placement with one of the Council's in-house foster carers costs c£420 per week. An externally procured foster carer costs on average £840 per week (taking into account the different levels of complexity that might attach to different young people). Placements in a residential care home cost an average of around £3,500 per week (albeit the most expensive placements for a young person with complex needs could be twice this amount).
9. Analysis shows that the last time the LAC population was at 840+ was February / March 2016. However the mix of placements attaching to the respective cohorts of young people then and now are markedly different. For example, there were 50 fewer of the more expensive externally procured foster care placements back in March 2016. The vast majority of difference is that there were correspondingly more young people placed with in-house Council foster carers in 2016. It is this in-house foster care capacity that has diminished over the past 3-5 years. This also helps explain how the growth in overall LAC numbers during the past 6-12 months has been matched by a corresponding increase in the number of externally procured foster placements. There was significant increase in independent foster care placements at the start of 2018, which did not have a big impact on the 2017/18 budget as the increase occurred at the very end of the financial year. However, it has had a marked effect on the current year's budget and, in addition, further increases in similarly expensive foster care placements also occurred in April and June.
10. At the same time, the actual placements budget has been reduced to fund invest-to-save initiatives aimed at reducing the number of expensive external placements. However, any amount of cashable savings that are directly attributable to these projects have been surpassed by the overall increase in the children coming in to care and the lack of capacity to place these young people cost-effectively, i.e. with less expensive in-house foster carers.

11. National reports tend to suggest that independent foster agencies (IFAs) are engaged for children and young people who are too difficult to place with internal foster carers – in other words, in-house carers are not as capable of looking after more challenging children and young people. This does not appear to be the case at Nottinghamshire County Council. Of the 240 children and young people currently placed with IFA carers, 204 of them are either Core or Category 2.1 placements, which align with internal payment levels 1 and 2; these are relatively 'mainstream' foster placements. This suggests that the Council is not deriving the best possible value for money from the budget available, as IFAs are being used to provide foster placements which could be provided by the Council at less cost.
12. The average amount paid by the Council to IFAs per week per placement is £840. The average internal cost is £420 per week per placement. The internal cost is the full cost of the carer, including management and other costs as well as the fees paid to the carer.
13. The current weekly payment structure for Council carers is as follows:

	Age range of looked after child (yrs)			
	£ per week			
Level of experience	0-4	5-10	11-15	16+
Level 1	140	153	174	201
Level 2	162	175	196	223
Level 3	184	197	218	245
Level 4	228	261	282	309

14. Leicestershire County Council has recently increased their payment levels as follows. Note that they have already recruited 11 foster carers in the first four months since the pay increases were introduced.

	Age range of looked after child (yrs)			
	£ per week			
Level of experience	0-4	5-10	11-15	16+
Level 1	£163	£179	£205	£239
Level 2	£195	£215	£246	£287
Level 3	£228	£250	£287	£330
Level 4	£312	£343	£394	£458

Proposal

15. The key aim of this proposal is to achieve a net increase of 50 foster carers over the next three years (2019-2021) with whom children and young people can be placed who would otherwise be placed in a high-cost external placement. This will ensure that these CYP benefit from a local family environment, and will decrease the number of placements provided through IFAs and in external residential homes, thus reducing the pressure on the placements budget.
16. It is clear that the current recruitment approach and offer does not attract enough new carers. From July 2017 to March 2018 only 20 new carers were recruited, but 9 of these

were family and friends carers and were assessed to look after a specific child. This means only 11 carers were attracted via the Council's existing recruitment approach and offer during this period. Overall in 2017/18 32 new foster carers were approved from 134 initial enquiries – a conversion rate of 24%. However, 31 foster carers were de-registered during the year, resulting in a net increase of 1 carer. 10 of the carers went on to register with IFAs.

17. In order to recruit and retain more foster carers there is a need to ensure the Council has a compelling offer which prospective foster carers perceive as competitive and attractive when compared with an IFA, so that the number of enquiries received by the Council is increased. This approach will also strengthen retention of existing carers. This will be done by:
 - a) reviewing the way that the Council pays and supports its foster carers, so that payments are fair and reflect the experience and skills required to effectively care for and nurture the children and young people;
 - b) developing strong support provision focussed on the needs of the CYP via a mix of therapeutic intervention, peer support networks, and support from specialist staff, so that both children and young people and their carers will be well-supported;
 - c) strengthening the Council's approach to the recruitment of foster carers, with reference to the increasing importance of electronic media¹, changes to the types of foster carers to be recruited (for example, part-time foster carers and shared care, short breaks for birth families etc), and the timeliness and positivity of the approach to potential carers². We recognise that IFAs have a focussed, strategic approach to recruitment which is highly effective and we will learn from this when developing our own recruitment strategy;
 - d) identifying children and young people who could be placed in an internal foster placement if carers with the right mix of skills and support were available, and recruiting carers to meet their particular needs.
18. The proposed weekly payment structure is under consideration and proposals will be brought to Committee for approval in July 2019.
19. In order to make the entry level attractive to new carers, and to reflect the fact that there are very few carers on level 1 and most of the Council's existing carers are on level 4, it is proposed to remove the existing Council level 1, and that the Council will have three levels instead of four.
20. The intention is to propose a fair increase at established levels, and offer a significant entry-level increase which is in line with similar increases made by geographical neighbours recently, and bridges some of the gap to IFA entry-level payments.
21. Although the gap to IFA entry-level payments is likely to remain significant, feedback from Nottinghamshire foster carers has placed high value on the support that the Council

¹ Reference Narey Owers 'Foster Care in England' February 2018, p47

² Reference Narey Owers 'Foster Care in England' February 2018, p49

provides, coupled with the fact that placements are always available. An improved payment and support package will attract new carers without the need to meet IFA payment levels.

22. It is also likely that if the Council was to increase payments to near IFA levels, IFAs would simply introduce other financial incentives such as 'golden hellos' to maintain a payment advantage, and that these would be incorporated into higher mark-up fees for the Council.
23. In conclusion, by growing the fostering service and putting it at the core of LAC placement provision:
 - a) more looked after children in Nottinghamshire will have an opportunity to be placed in a loving family environment
 - b) the Council will develop a reputation as an exemplar of fostering provision, offering an attractive package of fees and support which will compete favourably with the support offered by IFAs and reduce the risk of the Council's carers leaving³
 - c) demand will be reduced for more costly placement types, and this will ease pressure on declining budgets.

Other Options Considered

24. The following options have also been considered:
 - a) do nothing: this is not the preferred option as it is unlikely to deliver necessary internal placement capacity required to meet demand, given the competition for foster carers from IFAs and neighbouring councils
 - b) increased investment: consideration has been given to increasing the amount of money invested in the service. However, this increases the financial risk of an as-yet unproven concept, and also reduces the amount of cost avoided thus increasing pressure on the placements budget. This is an option which may be developed in a further proposal, dependent upon the success of the preferred approach.

Reason/s for Recommendation/s

25. Looked after children numbers are increasing, as is the complexity of need.
26. External provision is increasingly expensive as increased demand drives up prices. This places pressure on the Council's placements budget.
27. Although a mixed economy of placements is good for placement choice, it is preferable to place children in placements which are controlled by the Council, as these are generally in-county and, it is felt that they provide better outcomes for looked after children.

³ <https://www.theguardian.com/society/2018/jan/30/support-children-foster-carers-agency-councils>

28. In order to provide for this increase in demand it is essential that more foster carers are recruited and existing carers are retained, so that the Nottinghamshire County Council fostering service can operate as the strong and sustainable core of placement provision in the County.

Statutory and Policy Implications

29. 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.

Data Protection and Information Governance

30. A summary Data Protection Impact Assessment (DPIA) has been completed and a full DPIA is not required.

Financial Implications

31. The costs and savings of this proposal are detailed in the table below and the recruitment forecast attached as **Appendix A**

	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000
Gross saving	253	969	814	2,036
Reprovision costs	422	686	457	1,565
Net saving:	-169	283	357	471

32. The net investment of £0.169m will be included in the proposed 2019/20 budget to be considered by Full Council on 28 February 2019. The savings in following years will be included in the construction of the Medium Term Financial Strategy (MTFS).

33. Reprovision costs:

	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000
Cost of recruitment (a) + (b)	94	94	44	232
Cost of payments for new carers (c)	128	492	413	1,033
Cost of improved payment offer for existing carers (d)	200	100	0	300
Total reprovision costs	422	686	457	1,565

- a) Supervising Social Workers (SSWs) work with a caseload of 15-17 carers. The Council would therefore need to recruit 3 FTE SSWs to assess and manage the new carers, at a cost of £0.13m.

The recruitment would be staggered across the three years, and the table above reflects the recruitment of one SSW each year. The recruitment of SSWs would be in line with the number of carers recruited, so if more or fewer carers are recruited than forecast the SSW recruitment would need to adjust accordingly.

- b) cost of improved support offer (3 FTE Fostering Family Workers) - £0.1m.
- c) cost of 50 new foster carers (on an improved payment offer) £1m over three years.
- d) cost of improved payment offer for existing carers £0.3m.

- 34. In order to support the development of this proposal a temporary 0.5 FTE Project Manager (Band D) post and a temporary 0.5 FTE Programme Officer (Band B) post will be established in the Programmes & Projects Team. The cost of these posts will be approximately £50,000 for 12 months, and will be funded by the use of capital receipts flexibility.

Human Resources Implications

- 35. The human resources implications are set out in **paragraph 33** (a) and (b), and **paragraph 34**.

Public Sector Equality Duty implications

- 36. An Equality Impact Assessment has been carried out and is available as a background paper.

Implications for Service Users

- 37. The proposed changes will result in a Fostering Service which is flexible, outcome-focused and puts the child at the centre of all decision-making.
- 38. There will be a positive impact on children who are currently or would otherwise have been placed with IFAs or in residential care when their needs could be met in internal fostering.
- 39. Foster carers and the children and young people they look after will be better supported, and fewer foster placements will break down.

RECOMMENDATION/S

That Committee approves:

- 1) the proposal to develop and grow the Nottinghamshire County Council fostering service, as detailed in paragraphs **15 - 23**.

- 2) the proposed review of payments to foster carers within the parameters of the costs detailed in paragraph **33**.
- 3) the establishment of 3 FTE Supervising Social Workers (Band B) posts
- 4) the establishment of 3 FTE Fostering Family Workers (Grade 4) posts
- 5) the establishment of a temporary 0.5 FTE Project Manager (Band D) post and a temporary 0.5 FTE Programme Officer (Band B) post in the Programmes & Projects Team for 12 months to support the development and implementation of the proposal.
- 6) for a further report to be brought to Committee with final proposals for a revised payment structure for foster carers.

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Constitutional Comments (SLB 28/01/19)

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

Financial Comments (SAS 29/01/19)

41. The financial implications of the report are contained within paragraphs 31 to 34 above.

HR Comments (BC 14/01/19)

42. The staffing implications are contained within the body of the report. The posts will be recruited to in line with the agreed vacancy control and recruitment procedures.

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.

Summary Data Protection Impact Assessment
Equality Impact Assessment

Electoral Division(s) and Member(s) Affected

All.

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