

Cabinet – 13 December 2017

Review of Fee and Allowance Scheme for Walsall Foster Carers

Portfolio: Councillor A Nawaz

Related portfolios: N/A

Service: Fostering Service-Specialist Children's Services

Wards: All

Key decision: Yes

Forward plan: Yes

1. Summary

- 1.1 Walsall Fostering Service operates a fee and allowance scheme for mainstream foster carers based on an open fee approach with approval categories for a particular age group of children. Essentially this means that regardless of whether a carer has a child in placement they will continue to receive a fee for being available to foster. It also means that we cannot easily approach carers to have a placement of a child outside of their age approval category unless they are willing to consider an amendment to their approval category.
- 1.2 Over time Walsall's open fee approach has resulted in an increase in carers suitable to care for predominately children under 10 years and a decrease in carers suitable to care for children over 10 years and for children with complex needs. This has resulted in the use of costlier Independent Fostering Agency (IFA) provision for older children and sibling groups. Carers have also had an element of choice about not accepting a placement knowing that the payment of their fee will be unaffected if they say no.
- 1.3 There is a balance to be reached to ensure that carers are not financially rewarded when there have no children in placement alongside the need to ensure that our fostering scheme is competitive thereby attracting new carers to Walsall. In addition to this, it is equally important to ensure that once carers make a decision to foster for Walsall they are making a decision to remain with the Council for the duration of their fostering career.
- 1.4 The fostering service has looked at eight fostering schemes from other local authorities; this has been narrowed down to four on the basis that they each offer a similar scheme to that which Walsall currently offers and all are financially viable. These are detailed in paragraph 3.6.

In summary, when choosing a new fostering scheme for implementation it should have as its primary objectives:

- Increase internal fostering provision to enable more children to remain in local placements.
- Offer carers an attractive financial, training and support package so that they choose to foster for Walsall as opposed to other local authorities or IFAs and as stated above once they make that decision we can be satisfied that we will be able to retain them for the duration of their careers.

1.5 Initial consultation took place with foster carers in November 2016, they were informed that Children’s Services were considering the implementation of a new fostering scheme although at that stage there was no specific scheme in mind.

2. Recommendations

2.1 That a new fees and allowances scheme for Walsall foster carers, as set out in paragraph 3.7 of the report be approved, for implementation from 1 January 2018 for new carers.

2.2 That approval be given to transition all existing carers to the new scheme within 6 months of 1 January 2018.

3. Report detail

3.1 Fostering for any Local Authority or private provider means that carers are provided with two separate payments. The first is the child’s allowance paid to support the maintenance of a child. This amount increases with the age of the child whilst he or she remains in placement. Some local authorities pay Fostering Network recommended rates whilst others pay the Department for Education recommended rates. The Fostering Network ceased issuing recommended rates in 2015 and directed agencies to consider the rates suggested by the Department for Education. The difference is as follows:

	Age band			
	Babies and Pre-Primary (0 – 4)	Primary (5 – 10)	11 - 15	16 - 17
Fostering Network	£142.86	£162.73	£202.58	£246.44
National Rates DFE (Rest of UK)	£123.00	£139.00	£159.00	£185.00

3.2 The second payment is the professional fee paid to foster carers. For Walsall’s current fee payments see **Appendix A**.

Walsall currently pays children's allowances based on the recommended rates from the Fostering Network and has done so for many years. Walsall also operate an open fee approach which essentially means that carers are paid regardless of whether they have children in placement. This scheme is also based on the principle that carers are approved to care for an age category of children for example 0-5 years and 5-10 years.

The vast majority of fostering schemes in operation across the country now operate a fee per bed scheme, similar to Independent Fostering Agencies (IFAs); this means that carers only receive payment when there are children in their care. This is confirmed by recent research undertaken by the Fostering Network that highlighted 80% of foster carers only receive payment when a child is in placement and because of this it is imperative that the fostering fee offered is competitive and offers a realistic amount of money to enable them to have this as their sole income (Fostering Network 2017).

The cohort of carers and children identified as 'in-scope' for this exercise are those that are receiving a fee payment, these are 131 approved carers offering a total of 215 placements. 164 of these are filled with children for whom we are also paying an allowance.

3.3 Why does Walsall need to change the current scheme?

- In Walsall there has been a significant increase in Independent Fostering Agency (IFA) costs to provide placements for sibling groups and older children due to limited internal vacancies being available. Current information suggests there are approximately 27 vacancies for children, the majority of which are for children 10 years and under with only 2-3 vacancies for older children. The vast majority are single placement vacancies with only two carers able to offer sibling placements. This is not meeting the current needs of Walsall's LAC population.
- Increase in the use of 'Staying' Put arrangements, which is where Care Leavers are able to stay with their carers post 18, has resulted in the loss of a number of placements for teenagers. There are now 20 'Staying Put' arrangements and this is a fantastic resource for these children, however, in previous years at least half of these young people would have moved on to independent living creating internal foster care capacity. Any new scheme has to therefore adequately target placements for older children.
- Majority of carers are approved for a rigid age category and are inflexible in their willingness to consider children outside of this, hence the vacancies listed above not matching the referral data for children requiring placements.
- The progression criteria for foster carers has not been robust and has resulted in carers being able to progress to the highest level of payment and still only offering to care for relatively straight forward young children.
- Some carers have said no to placements despite professionals identifying them as a good potential match and in the current scheme they continue to be paid when this happens.

- The complexity of need for children and young people requiring placements has significantly increased over recent years, we have also seen a growth in requests for teenage placements, sibling placements and baby placements.
- Since 2015 newly approved foster carers to Walsall are paid an open fee for the first 18 months before they can progress to the next tier. However, the low level of this open fee does not act as an incentive to foster for Walsall when other agencies and IFA providers are offering a much higher starting fee albeit based on fee per bed.

3.4 What has been achieved so far?

- Recruitment activity has increased over recent years, for the period April 15 to end of March 16, the Service recruited 18 new foster carers; from April 16 to March 17 21 were approved. There is now a dedicated marketing officer and a dedicated marketing budget to support all recruitment activity.
- Since the beginning of 2016, all new fostering approvals are approved 0-18 with a clear matching preference, this means that there is more flexibility with new carers which enables us to support them to think more broadly about their ability to consider older as well as younger children in line with their training and development.
- Foster carers have been advised that if they continue to refuse placements unreasonably, their fee may be stopped.
- Foster carers were advised as part of their consultation that the fee scheme needed to change as the needs of our Looked After Children population has also changed therefore a more flexible approach was required. The first carer consultation took place in November 2016 and over 75 carers attended. The general themes coming through from the consultation were as follows:
 - The vast majority of carers wished to retain the existing scheme; there was some agreement that level 4 carers should be willing and able to take any child. Carers were concerned about how they would manage financially without an open fee as for the majority fostering is their main income.
 - Agreement that level 2 payments were too low and did not encourage new carers to Walsall.
 - Some agreed that if carers refused a placement three times then the fee should stop.
 - Some agreed that allowance paid to teenagers was too high and unrealistic for care leavers who will be reliant on benefits for their main source of income. The gap between the benefit rates available to care leavers and the current level of allowance for 16-18 is significant and does not allow carers to assist young people in developing their budgeting skills.
 - Others commented that some local authorities have moved to offering the Department for Education recommended rates, which are lower than what is currently offered in Walsall, they recognised that this would potentially adversely affect family and friend carers, the majority of whom have not accessed the fee scheme so are only in receipt of the child's allowance.

- There were some concern regarding carers feeling bullied to take placements of children outside of their approved age category and concern if there was a fee per bed approach.
 - There was a consensus view that whilst carers do not have children in placement, in order to justify the fee payment, they should be asked to supervise contact, support other carers, support with training etc.
 - There was an overall consensus that a move to a fee per bed scheme may result in loss of carers and a loss of confidence in Walsall's Fostering Service.

3.5 **What will a new fostering fee and allowance scheme offer to Walsall Council?**

A move to a revised scheme will offer us greater placement choice and therefore reduce Walsall's reliance on external provision. Whichever new scheme is selected it has to fulfil the following criteria:

- Be competitive with IFAs and other local authorities so that carers see fostering for Walsall as a positive option which offers them competitive rates and high levels of support.
- Continue to support carers to transfer from their current IFA provider to foster for Walsall; this has been the recent experience of the service. From the knowledge of those carers who have resigned from Walsall fostering service over the past five years, the majority have either ceased fostering altogether or have relocated and have applied to foster for the Local Authority in which they live. There is no evidence to suggest carers resign from Walsall and then go onto foster for an IFA.
- Ensure that foster carers offering placements to non-specified looked after children are not financially disadvantaged through a reduction in their fee payment as this will have a significant impact on retention of existing carers.
- Careful consideration should be given to the position of Family and Friends carers, if there is a reduction in the child's allowance as would be the case if Walsall implemented the Department for Education rates, these carers would need to be supported to manage their income more effectively to ensure that children and young people are not adversely affected.
- Offering a robust training and support package as a recruitment and retention incentive.
- Ensure that placement vacancies are fully utilised for all age children and that carers are approved for a broader age range dependent on their individual circumstances.
- If the proposed scheme is adopted this will create some savings where payments to foster carers who continually refuse placements will stop.
- Be able to protect available beds for placements in which children with complex needs are placed and would otherwise require an external placement or where we are holding a bed for a child, for example in the case of an unborn baby.

- Offer a smooth transition for those children remaining in ‘Staying Put’ or ‘Shared Lives’ arrangements. For those children transitioning on from foster care at 18, better preparation for those children in managing on a small budget when living independently.

3.6 The schemes that were looked at in some detail are as follows:

Wolverhampton’s current scheme

Fee payments

Level	Training (basic)	Assessment	Fee (1 child) £'s	Fee (2 children) £'s	Fee (3 children) £'s	Fee (4+ children) £'s
Basic	Skills to Foster training course Completion of training, support and development standards	Form C assessment as specified under the fostering regulations	85	102	119	154.70
Generic	Skills to Foster training course Completion of training, support and development standards Personal Development Plan outcomes focused	Skills to Foster assessment as specified under the fostering regulations	255	306	357	464.10
Advanced	Completed all of above criteria Diploma in Child Care Studies/Fostering or working towards equivalent	Skills to Foster assessment as specified under the fostering regulations	331.50	397.70	463.40	602.00
Specialist	Completed all of above, offer solo placement for mother and baby, remand placements, complex placements etc	Skills to Foster assessment as specified under the fostering regulations	600	N/A	N/A	N/A

Child's allowance rates based on DfE rates

Age of child	Weekly Rate £'s
0-4	126
5-10	139
11-15	159
16+	185

Additional payments

Age	Pocket money (weekly) £'s	Long term savings (weekly) £'s	Birthday (annually) £'s	Festivals (annually) £'s
0-5	nil	5	100	100
6-10	4	6	110	110
11-15	7	8	150	150
16-17	10	13	180	180

This is a fee per bed scheme based on approval categories of 0-18 with a clear matching preference. This scheme has been operational in our neighbouring authority Wolverhampton for just over one year. The basic premise is that carers are only paid the fee and allowance when there are children in placement, vacant beds are not paid for. This means that carers are more open to a wider range of placements for which they receive payment.

In addition to this, Wolverhampton pay a fortnight allowance for holidays and will pay a retainer of up to 50% to hold a placement for a maximum of 4 weeks if a child has not been able to be placed or if they are holding the bed for another child. The additional progression criterion is not available for this report. However, this will be linked to the skill level of the foster carer and their level of experience in dealing with complex issues.

Advantages

- This is the same scheme as a neighbouring authority, given the Regional Adoption Agency movement, there is a likelihood that fostering may also regionalise within next 3-5 years so adopting the same scheme now would support this.
- Borders between Walsall and Wolverhampton are extremely close, if we choose a scheme that is totally different, we risk losing carers to Wolverhampton.
- This scheme offers carers progression which is similar to what we currently operate, it also recognises the need for solo placements.
- The scheme offers fee payments which are significantly higher than what is currently offered, especially for new carers and those operating in the generic

band. This means that if carer is at their full capacity, they will receive an overall increase in their monthly income from fee payments.

Disadvantages

- Carers caring for 3 or more children on a longer term basis will be financially disadvantaged on the generic and advanced rates as Walsall currently pays a higher rate for the placement of 3 children. Implementing this scheme, would require protecting the current fee being paid to these carers to support the longevity of these placements.
- Family and friend carers receiving the allowance aspect only would be financially disadvantaged.
- We would need to consider funding NVQ courses where these are not available locally to enable carers to progress.
- There may be a potential loss of carers if we do not utilise all the baby placements we have by encouraging those carers to offer care to a wider age range.

Coventry model

Standard fostering fee £139.37 per child per week

Enhanced fostering fee £214.41 per child per week

Children's allowances currently paid at same rate as Walsall (fostering network rates) Additional 5 weeks allowances payable to all carers for birthdays, Christmas, holidays and clothing.

Advantages

- Reasonably simple to administer as based on fee per child.
- Maintains the fostering network rates so Family and Friends will not be disadvantaged.

Disadvantages

- No differentiation for family and friend carers, so assumption is all family and friends receive £139.37 per week, this is significantly higher than Walsall pays now.
- Only one progression available for carers.
- Relies on categorisation of children and not carers, may lead to disagreement with carers about who is 'complex' and who is not.

Leeds model

Leeds operates a scheme similar to Walsall, skill level criteria 1-4. Allowances are the same as Walsall's current allowances.

Skill level 2

1st placement £120 2nd placement £120 subsequent placement £60

Skill level 3

1st placement £170 2nd placement £170 subsequent placement £85

Skill level 4

1st placement £220 2nd placement £220 subsequent placement £110

5 weeks additional allowance is given for holiday, Christmas and birthdays

Level 4 carers are paid a retainer of up to 16 weeks between placements, so this does not operate as fee per bed. It is not clear from the policy if carers receive any payment when no children are in placement for levels 2 and 3

Advantages

- Only pay for the actual children in placement, so if approved for 3 children this relates to capacity but if one child is placed, payment is only made for one.
- Carers will recognise the scheme as it is similar to Walsall's existing scheme.
- Family and friends are not disadvantaged.
- This scheme is simple to administer, although could lead to debate about the length of time the retainer is paid for.

Disadvantages

- Progression criteria not clearly defined.
- Limited incentive to take on the care of more children.

Proposal to enhance Walsall's existing model

Consultation feedback indicated that carers wish to retain the current scheme. However, there is clear recognition that the most highly paid carers should be offering the Service more in return for their fee. If we were to retain the existing scheme, the following amendments are recommended:

Level one:

Remains the same as allows for payment for family and friends and mainstream carers choosing not to receive a fee.

Level two:

All carers approved 0-18 with matching criteria so that new carers become used to fostering within a year and develop their skills identified training with an open fee to be paid to these carers. Given feedback from carers and managers, the level of payment for this scheme would need to increase.

Level three:

Carers can progress up to level 3 on the understanding they are approved 0-18 but that their matching criteria must extend to enable them to consider a broader range of children. For example if their matching preference was 0-5, we would expect them to extend to 0-8. If they refuse a placement more than twice where it has been assessed they can meet the needs of the child in question, the fee will cease until such time the carer feels able to consider a broader age range.

Level four:

All carers must be willing and able to consider any placement 0-18 years for children with any complexity. Level four carers will be fee per bed.

Level five:

Solo placement-diversion from residential/IFA for high complexity £600 per week.

Advantages

- Recognises the concerns of foster carers raised at first consultation event, supports carers as they develop their skills and become more experienced.
- Those carers not wishing to do fee per bed 0-18 can opt to move down a skill level.
- Ensures that our most highly paid carers are accountable for the money they receive.
- Introduces solo placement fee for highly complex children. There are already some children currently in placement who would meet this criteria.

Disadvantages

- Does not eradicate an open fee policy and may still result in carers saying no to placements.
- May result in carers remaining at level 3 and not wishing to progress to level 4 or 5, so continued costs of IFA provision.

3.7 Preferred model

The fostering service has carefully considered four schemes identified including enhancements to the existing Walsall scheme and the view supported by the Directorate Management Team is that the Wolverhampton model is the preferred option. The reasons for this are that it fulfils the following objectives:

- It will increase internal fostering provision by having a 0-18 approval category so that more dialogue can be had with carers about their ability to care for a wider age range of children.
- Offer carers a competitive and attractive financial, training and support package so that carers choose to foster for Walsall as opposed to other local authorities or IFAs and once they make the decision to foster for Walsall that we retain them as Walsall carers.

The Wolverhampton scheme is a fee per bed approach, which means carers will only receive payment if there is a child in placement unless beds are being held for the placement of a pre-existing child. This means that based on the current figures we would not be paying for 27 vacancies. It is also based on the payment of the DfE rates similar to what a number of other authorities are also moving towards as this offers a more realistic amount of money needed to care for a child in an average family. It offers a progression scheme for carers offering to care for non-specified Looked after Children and it recognises the need for solo placements. The scheme will also offer some potential savings in the longer

term and it will support any future move towards a regional fostering provision similar to what is currently underway for the provision of adoption services.

As an amendment to the Wolverhampton Model, it has been recognised by the Service and its management team that there is a need to ensure that becoming a foster carer with Walsall is an attractive proposition, especially with the service having savings targets around the increased recruitment of carers to be used to convert independent foster placements into internal ones. Following the consultation with carers we have agreed a 3 month 50% fee protection as part of the scheme which will provide new carers some financial reassurance while they are training and readying themselves to take a placement. Below is a table illustrating the potential financial impact of this fee protection scheme, based on 15/16 recruitment levels of 18 new carers at assumed levels of 301/Generic 1 and 401/Advanced 1 the illustrative cost of protection for these new carers would be estimated at £32K.

Current Skill Level/Proposed Skill Level	Carers Recruited	Q1	Q2	Q3	Total
301/Generic 1	9	3,443	3,443	3,443	3,443
401/Advanced 1	9	4,475	4,475	4,475	4,475
Cumulative Cost	18	7,918	15,836	23,753	31,671

4. Council priorities

- 4.1 Key Council priority of **Pursue inclusive economic growth**: This will be addressed by offering Walsall residents the opportunity to foster Walsall children and to be offered an attractive fee payment scheme in return. This will be addressed through the continuation of Walsall's Fostering recruitment campaign which is targeting all those interested in fostering and especially those interested in fostering older children and sibling groups.
- 4.2 Key Council priority of **Children are safe from harm, happy and learning well with self-belief, aspiration and support to be their best**: This will be addressed through effective recruitment and retention of skilled foster carers who are able to meet the diverse range of needs of children cared for by the local authority. It will also support our aim of providing more placements for Looked after Children in Walsall so they are able to maintain placements in local schools, contact with family and friends and to support their ongoing social and emotional development.

5. Risk management

- 5.1 There is a risk that a change to a new scheme may result in a loss of Walsall foster carers in the short term if carers are unhappy with the move to a fee per bed approach and a need to offer placements to a broader range of children. However, other neighbouring authorities aside from Birmingham don't offer any more financial reward for fostering so the only option for existing carers would be to consider a move to a private IFA provider. IFA providers have no control over their referrals for placements as most Local Authorities will only approach an IFA if there is no internal provision, so carers are more likely to have placements for children in line with their matching preferences if they remain with Walsall.

- 5.2 The risk of losing carers will need to be assessed on an individual basis and on the particular circumstances of individual carers. Existing carers will need a period of transition from one scheme to the other during which time they will need to be offered additional training and support. It will also be important to consider matching preferences to ensure that these are realistic and manageable for carers dependent on their individual circumstances.
- 5.3 There is the risk of the impact this is likely to have on Family and Friend carers. The majority of these carers are currently considering or are being approached to consider Special Guardianship Orders (SGO). Securing a child's long term future via the granting of an SGO is the right course of action for the vast majority of children placed in family and friend arrangements and carers need to be encouraged and supported to apply for these in line with a child's care plan. For existing carers wishing to consider an SGO, if this was concluded within the next 6-12 months, they will be unaffected by the changes as ongoing allowance payments until children reach the age of 18 will be agreed at the existing rates. For new family and Friend foster carers, the timescale for applying for an SGO is being addressed from the outset and they will be made fully aware of the change to new allowance rates in line with DfE recommended rates.

6. Financial implications

- 6.1 The current budget for internal fostering placements is £4.869m. As at the end of October 2017, this service is forecast to be on budget. The Cabinet paper, 'Corporate Budget Plan 2016/17 to 2019/20', approved at Full Council on 23rd February includes savings proposals of £135k for each financial year associated with the conversion of an additional 7 independent fostering placements to internal fostering placements each year (i.e. 21 conversions in totality over the Medium Term Financial Outlook). The changes to the fostering fee and allowance scheme set out in this paper are aimed at enhancing the Walsall offer to support increased recruitment activity, which is necessary to deliver the above savings proposals each year.
- 6.2 Due to the difficulties in forecasting future children and carer levels, the financial modelling that has been undertaken with regard to the revised fees and allowances has been based on the current position of Internal fostering placements, i.e the modelling is based on the existing number of children and carers and the current mix of skills and complexities of carers. As such the actual financial outcomes may vary in future should the mix of carers and children change.
- 6.3 A number of additional assumptions have been made in the analysis of the financial impact, which includes:
- The existing 25 current vacancies (as at end April 2017) will no longer attract a fee (as a result of adopting the fee per bed scheme);
 - New carers with vacancies will get the 3 month 50% pay protection to provide them with financial reassurance while they are training and readying themselves to take a placement. This is based on an assumption around the average number of new carers in one year;

- The model includes a fee enhancement so that existing level 4 (Advanced) carers take sibling groups and this enables the service to remain competitive with IFA's, therefore retain them within the service.

6.4 Table 1 below shows the financial impact of all schemes considered previously, as reported to cabinet on 15th March 2017, and the financial impact of these new proposals.

Table 1: Potential cost / (saving)					
Cabinet Report	Coventry Model £	Wolverhampton Model £	Leeds Model £	Walsall Existing Model Enhanced £	Walsall Proposed Model New Rate £
15 th March 2017	267,096	(305,580)	217,265	(38,369)	(55,847)
13 th December 2017	440,002	(137,412)	329,012	(15,736)	44,092

- 6.5 The original proposal reported on 15th March 2017 based on the Walsall Proposed Model New Rate would have meant an overall cost reduction for fostering services of £56k. This was based on setting fees at the same level as Wolverhampton Council.
- 6.6 With Cabinet approval, this proposal went out to consultation on 26th April 2017 to seek feedback and comments on the proposed fees and allowance scheme from all foster carers.
- 6.7 The consultation highlighted a number of concerns from carers, the most notable of which was the lack of incentive to take siblings and the loss of money for our most experienced carers caring for one than one child. Therefore, the service has reviewed the fees associated with each level to address this concern.
- 6.8 These changes see the overall cost to internal fostering services associated with the proposal increase the current costs by £44k from £4.869m to £4.913m. The changes made to the Walsall Proposed Model see an increase of £100k on what was previously reported to cabinet on 15th March 2017.
- 6.9 The additional forecast costs associated with the new Walsall proposed model of £44k will need to be absorbed and funded within further cost reductions to foster placements as part of the savings proposals. This will increase savings from £135k to £179k.
- 6.10 The proposed new rates for foster carers are detailed in table 2 below. All carers previously paid at a Basic level will move to a generic level following the proposed changes. The level's 1 to 3 are based on the number of children in placement.

Table 2: Proposed Changes to Rates for Foster Carers				
Walsall New Category	Walsall Current Rate £	Rate as per 15th March 2017 Report £	Proposed rates following consultation £	New Proposed Rate £
Basic 1	88.62	85	200	200
Basic 2	116.2	102	300	300
Basic 3	173.16	119	400	400
Generic 1	135.05	255	200	200
Generic 2	231.25	306	300	300
Generic 3	345.69	357	400	400
Advanced 1	226.69	331.5	250	250
Advanced 2	361.33	397.7	400	400
Advanced 3	540.86	463.4	550	600

- 6.11 The rates for family and friends carers are to remain the same as per the cabinet report on 15th March 2017. Within the current scheme friends and family carers only receive allowances for the children. However, they do have the opportunity to complete relevant training and progress the basic level 1, whereby they will receive an additional fee of £85 as well as the child allowances. These fees are shown in table 3 below:

Table 3: Proposed Changes to Rates for Family & Friends Carers				
Walsall New Category	Walsall Current Rate £	Rate as per 15th March 2017 Report £	Proposed rates following consultation £	New Proposed Rate £
Basic 1	88.62	85	85	85

7. Legal implications

- 7.1 Legal have been consulted and their view is that consultation with existing carers needs to be thorough and robust so that carers feel their views are being listened to and acted upon. At this stage there are no particular implications. However, it is likely that some carers who are unhappy with the new proposals will seek to make a complaint using the council's complaints process, if carers remain dissatisfied they may take their complaint to the ombudsman.

8. Property implications

- 8.1 None

9. Health and wellbeing implications

- 9.1 The health, wellbeing and positive outcomes for both Foster Carers and Looked After Children are paramount in the fees and allowances scheme that is approved.

10. Staffing implications

10.1 None.

11. Equality implications

11.1 None are identified at this stage. However, following consultation with carers there is a likelihood that some carers, most likely family and friend foster carers will raise concern about the adverse impact on them and the children they are caring for.

12. Consultation

12.1 The initial consultation with foster carers took place in November 2017. Following this, it was felt that further consultation was needed as it was recognised that the new proposal is a significant change to our service delivery and left a number of foster carer unsure of how the new scheme would impact on their household income moving forward.

12.2 A further 3-consultation meeting were held in April, July September 2017. 75 foster carers attended the consultation in April 40 carers attended the session in July and 30 attended the session in September.

12.3 Please see **Appendix B** in relations to concerns raised by carers and the local authority's responses

13 Conclusion

13.1 The previous report dated 15th March detailed a cost reduction to the council of £56K. The main reason for this change is the increase in fees for carers offering more than one placement. This also re-address balance between our recruitment strategy and retention incentive to cares proportionately, therefore making the Local Authority more competitive with neighbouring Authority's and IFA's.

13.2 The fostering service currently has 13 carers who take sibling groups providing 39 placements, which is a valuable resource within Walsall the uplift in fees for these carers has led to the increase in the initial proposal that went to cabinet in March. The impact of not addressing the fees proportionately would increase the risk of these carers moving to IFA thus further reducing the fostering capacity of placements for sibling groups within the service.

13.3 The revised payment to foster carers under the new scheme will initially mean an increase in costs this financial year. However, the benefits of moving towards a revised scheme will offer us greater placement choice and therefore reduce Walsall's reliance on external provision. This needs to be considered as an invest to save model.

Background papers - None

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4 December 2017

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Councillor Nawaz
Portfolio holder
4 December 2017

Appendix A

FOSTER CARE PAYMENTS FOR THE FINANCIAL YEAR 2017/18

The following Rates to be applied 1st April 2017

Boarding Out Section 38 Residence Orders (Protected from previous scheme) <i>Fostering Network (LAC rate)</i>		Adoption Allowance Scheme AA, B, & C & Protected Residence allowances		Adoption Allowance Scheme D New & Reviewable Residence Orders Special Guardianship Orders (Non LAC rate)	
<u>Age Band</u>	<u>Per Week</u>	<u>Age Band</u>	<u>Per Week</u>	<u>Age Band</u>	<u>Per Week</u>
0 - 4	£142.86	0 - 4	£107.15	0 - 4	£93.22
5 - 10	£162.73	5 - 10	£122.05	5 - 10	£106.27
11 - 15	£202.58	11 - 15	£151.94	11 - 15	£132.26
16 +	£246.44	16 +	£184.83		
		Scheme C only (11-15 ageband only if		(11-15 ageband only if this age at time of matching)	

Appendix B

Concerns raised by foster carers in response to the new proposed scheme and the local authority responses

1. FEES

Questions:

We fully support more money being paid to foster carers who for too long have been undervalued and underpaid, however we do have a few queries:

- Why is the new scheme not positively targeting those who take sibling groups as this is a cause of many placements to IFAs? Information obtained from Wolverhampton under FOI shows that since the implementation of their scheme some 18 months ago, they have had to place even more sibling groups with IFAs. **We value our more experienced foster carers and recognise the need to retain carers who take sibling groups. Therefore, we have reviewed the fees with a proposed increase to carers who take sibling groups.**
- In every banding, carers looking after three children are receiving comparatively less favourable treatment than carers caring for fewer children: why is this?
Carers who have 3 children will receive a fee higher than those with fewer children on the same banding; Walsall's current scheme is similarly structured.
- Why are level 3 and 4 carers being treated so inequitably compared to level 2 carers? Given Walsall operates incremental pay progression up to a maximum for employees, why is it that foster carers experience is being deemed not relevant?
We recognised that the the current scheme is inequitable; for example 201 carers receive a fee of £86.31 and 401 carers £224.38. The new scheme is more equitable. Foster carers will have the opportunity to progress and become Advanced or Specialist carers.
- Why is the new scheme not being "fair" to 403 carers?
The fee will be going up for 403 carers from £538 to £600
- Where is the incentive to take sibling groups when the incremental increase is reducing per child?
The fees we are paying to all Mainstream carers is increasing this now takes into account carers with sibling groups
- What is the policy regarding annual uplift? Fostering Network guidance is that they should be linked to a measure of inflation or pay increases of the local authority employees.
Increases to payments are usually linked to the "increases" in pay to the employees (which this year was 0%). The only pay bands which have

received increases are those on lower bands; as you are aware we are proposing increasing the fees for those carers on the lower band.

1. ALLOWANCES

Questions:

- Why are you expecting carers to provide even more subsidy from their fee to cover the actual costs of caring for looked after children?
We expect foster carers to use the allowance wisely and appropriately to fund the cost of caring for the child they are looking after. We would expect the allowance to adequately cover these costs.
- Why are you going against the guidance of Fostering Network, an organisation that you subscribe to on carers behalf, so must value its' opinion?
We do value the Fostering Network's opinion and take into consideration any guidance given. Whilst the Fostering Network produced recommended rates, these are what we paid; however, they no longer publish recommended rates. The Government now produce a fostering allowance rates; we initially proposed introducing these rates (many other fostering agencies now pay this rate), but following feedback during this consultation we have increased the proposed allowance we will pay to significantly above the Government's suggested allowance.
- With inflation running at close to 3% and expected to increase, what is the justification for reducing the allowances paid for the most vulnerable in the Walsall area: the 2017 annual increase has already not been implemented?
As stated above, the Government now produce fostering allowance rates and we are proposing paying a higher allowance than that.
- Your proposal is supposed to be encouraging carers to take on older children, how does reducing the allowance of older children by larger amounts meet this aim?
- Please can you advise when social workers will be telling LAC that their allowances have been cut as we do not see this as part of our role?
If there is a need for young people to be informed of this, their social worker will do it alongside the foster carers.
- What is the policy regarding annual increases?
We would expect the allowances to be increased at the same rate as the Government allowance.

2. IMPACT ON OUR FOSTERING FEES AND ALLOWANCES

TOTAL RECEIPTS	CURRENT	PROPOSAL	CHANGE	%
Fee	28,132	28,600	468	1.6%
Allowances	25,386	23,400	(1,986)	8.5%
Savings	884	728	(156)	21.4%
Holidays	978	900	(78)	8.7%
Festivals	734	660	(74)	11.1%
Sub-total	56,113	54,288	(1,825)	3.4%
Holiday supplement	1,350	-	(1,350)	100.0%
TOTAL	57,463	54,288	(3,175)	5.8%

Questions:

We are currently Level 403 carers caring for a sibling group of three children (aged 4, 6 and 9):

- How does this proposal encourage us to remain with Walsall when you are imposing an effective 3.4% pay cut?
The fee we are paying to you will increase.
- Will the holiday supplement be retained? If not, you are imposing a further cut to the money paid to care for the children, now up to 5.8%?
Additional holiday payments are only paid in exceptional circumstances, and carers shouldn't expect to automatically receive them.
- How does the fact we as level 403 are not being treated fairly compared to other carers in terms of fees, encourage us to remain with Walsall? **This has now been addressed with the uplift in fees for level 4 carers**

3. OTHER QUERIES

- How does the new scheme provide “good support and training package” to carers as there is nothing of this in the communication of 7 September 2017? **Further details about the support and training package will be circulated in the new year.**
- We note your stated aim is to “attract new foster carers” but there is surprisingly no mention of retaining existing carers? **The new scheme has now been reviewed with an uplift in payments to most carers**
- Why are short term carers not been treated equally they will only be paid when they have a placement? **The new scheme does not discriminate between long term and short term carers. The aim of the new scheme is to increase occupancy per bed, therefore it will require foster carers to be more flexible about placement choices. The new scheme also proposes to match carers skills to placement demands, i.e. advanced carers will be expected to take children with more complex needs**