

Brighton & Hove City Council

Children, Families & Schools Committee

Agenda Item 10

Subject: Review of Fostering Allowances

Date of meeting: 12 June 2023

Report of: Executive Director Families, Children and Learning

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 To endorse an increase in allowances paid to BHCC foster carers in order to compete with Independent Fostering Agencies and adjoining Local Authorities in the recruitment and retention of foster carers.
- 1.2 Placement of BHCC children in care with our own foster carers ensures good quality care is provided for the children for whom we have corporate parenting responsibility and represents best value for money. There is a local and national shortage of foster carers and an ageing population of carers. To recruit and retain foster carers our allowances need to be competitive.
- 1.3 We have aligned our allowance age bandings to fit with the Government's National Minimum Allowance (MNA) which are designed to cover the care costs of looking after a child.

2. Recommendations

- 2.1 That Committee agrees to increase fostering allowances as detailed in Option 2 in paragraph 4.2 in report.

3. Context and background information

- 3.1 BHCC's corporate parenting vision is to be the best parents we can be to the children and young people in our care and those leaving our care and becoming adults. We want our children and young people to grow up in loving family care, be happy and healthy, both physically and emotionally, be safe and protected from harm and exploitation, and supported each step of the way to adult life.

- 3.2 Local Authorities have a statutory duty under the Children Act 1989 (updated 2004) to ensure there is adequate provision of care placements to meet the needs of the children and young people in their care, and care experienced young people, as far as is 'reasonably practicable'. This is known as the Sufficiency Duty.
- 3.3 Local authorities are challenged in various ways in meeting their sufficiency duty; rising numbers of children in care; older children in care; large sibling groups; children with more complex presentations including mental health difficulties; spontaneous arrivals of Unaccompanied Asylum-Seeking Children; and a national shortage of foster carers to meet the varying needs of our children in care.
- 3.4 We support children and young people in care to be cared for within their family or friendship network where possible. Our Kinship Care Team assess the suitability of extended family and friends to care for a child in care. Kinship carers must meet fostering regulation standards to be approved as kinship foster carers. Kinship carers receive a fostering allowance equivalent to the national Minimum Allowance recommended by the Government to support the costs of caring for a child. Most kinship carers go on to become legal guardians for the child they care for (Special Guardianship). Some kinship carers become long term kinship foster carers, usually due to the high support needs of the child they are caring for. Long term kinship foster carers can access the fee elements of the fostering allowance in the same way as unrelated foster carers, upon completion of the necessary training.
- 3.5 Where children cannot be cared for within their extended family or friends we look to place children in care with foster carers.
- 3.6 Significant effort is committed to the recruitment and retention of foster carers however there are a variety of challenges in achieving this. Nationally the profile of foster carers is aging (40% of foster carers nationally were aged 50+ in March 2021). There are specific challenges in recruiting carers in Brighton & Hove due to its small geographical location; high-cost housing; limited housing stock limiting availability of spare rooms which is a requirement for fostering; the Cost-of living crisis; campaigns such as Homes for Ukrainian Families; more flexible home working arrangements post pandemic; and Foreign Student Hosting have all impacted significantly on BHCC's foster carer recruitment during 2022. This, alongside very active competition from local profit-making Independent Fostering Agencies with significant marketing resources at their disposal makes recruitment and retention of foster carers very challenging which is why we are having to improve our fostering allowance offer.
- 3.7 Over the last year, due to demand, sufficiency in the market and rising costs, the average weekly cost of a residential placement has risen from £4247.45 to £5269.32. This puts significant pressure on the service and budget. In order to achieve savings it is necessary to reduce the number of children needing residential placement. When a child in care is placed with a BHCC foster carer rather than an Independent Fostering Agency carer there is an annual cost saving of £14,500; when placed with a BHCC foster carer rather

than a Residential Care Home provider, the annual cost saving is £246,700. For every 16-17 yr old placed with a BHCC foster carer rather than a Supported Accommodation provider the annual cost saving is £42,500.

- 3.8 Whilst there is a national shortage of foster carers for all children in care, there is a significant shortfall of carers available to care for teenagers. This has resulted in an increase in the number of 16 and 17yrs olds in expensive semi-independent provision. Recruitment of foster carers for older teenagers is a priority area for BHCC fostering recruitment. The increase in fostering allowances is part of the drive to increase the pool of carers available to care for this teenage cohort of children in care. We believe that family care is best for our children and young people and very few of our children in care are ready for semi-independent living at 16 and 17.
- 3.9 Within the placement sufficiency strategy an aim is to reduce the number of children in high-cost placements and ensure children receive care in a family environment wherever possible, to do this the following targets have been set for the service:
- Avoid step up/ Increase Step down from Residential by increasing the number of children and young people placed with Fostering Plus+ (FP+) carers by 5.
 - Increase the number of 16+ placed with foster carers by 5 p.a
 - Recruit 22 foster carers p.a
- 3.10 In order to achieve this, we need an effective Allowance structure that is competitive with Independent Fostering Agencies and neighbouring Local Authorities. It needs to match or exceed the national minimum allowance (NMA) rates; be consistent with national minimum wage and Fostering Network guidance; be simple and easy to understand, avoiding additional payments (such as birthday, Christmas, holiday, uniform and clothing). It should recognise and reward priority recruitment areas (caring for teenagers, preventing high-cost residential placements and 16+ supported accommodation).
- 3.11 Fostering Allowances are comprised of a care element which is designed to cover the costs of caring for a child of a certain age. Foster carers also receive a fee or skills payment which reflects training and experience. There are different types of fostering placements which require a higher level of skill and experience.
- 3.12 An Enhanced placement is where the need and complexity of the child/young person requires a high level of engagement by the foster carer across the professional network to understand and meet the child/young person's needs and maintain placement stability. These placements are demanding and the needs of the child are complex but the placement is not considered to be at risk of breakdown, and the child/young person is not considered at risk of requiring a residential placement.
- 3.13 A Parent and Child placement is where a foster carer supports one or both parents and their young child (usually under 2yrs of age) to care for the child

in the safety of the foster home. The foster carer will guide and support the parent/s to care for the child and intervene to secure the child's safety as necessary. These are complex and challenging placements and require the foster carer to provide comprehensive recordings which are used in the assessment of parental capacity within care proceedings when decisions are being made about whether the child can be safely cared for by the parents.

- 3.14 A Fostering Plus placement offers a step down from residential care to family placement for our most complex and challenging young people. The level of engagement with the professional network, availability and support to the young person is at an extremely high level. These young people are often out of school and engaging in highly challenging and problematic behaviours which require highly skilled care. Placements receive a comprehensive package of support including, enhanced foster carer supervision, therapeutic intervention, frequent network meetings, focused Fostering Support Officer time, and regular respite provided by a family member or foster carer to allow time for the carers to recharge.
- 3.15 Foster carers tell us they cannot afford to continue fostering on the allowances they currently receive. The cost-of-living crisis has impacted household finances significantly and carers are increasingly finding themselves out of pocket when caring for our children. Our recruitment targets will not be met if we do not increase allowances to carers.
- 3.16 The proposed changes are set out in Appendix 1- Table 1. The key changes are summarised below:
- Match or exceed the National Minimum Allowance weekly sum the government sets out as the absolute minimum it costs to care for a child of a specified age – known as the 'care element' of the fostering allowance.
 - Increase the care element for 3-4yr olds to £185 pw (+£7 pw)
 - Increase the care element for 16+17yr olds to £303 pw (+£37 pw)
 - Simplify the Fee/Skills payments to Level 1 Fee £175 pw (no change). Level 2 Fee £271 pw (+£49)
 - Offer a Retention Payment to foster carers 2x £250 paid in July and December (+£500)

4. Analysis and consideration of alternative options

- 4.1 **Option One** - Retain the current fostering allowance structure without any uplift. This option fails to address the significant foster carer recruitment challenges we are facing, and cost-of-living crisis our carers are experiencing. If we are unable to present the fostering of vulnerable children in care as a financially viable option for current and prospective foster carers we will face increasing challenges in our ability to identify appropriate family placements for our children and will see more children in care placed in costly care provision at a significant distance from their home, school, friends and family. There will be some children and young people for whom we will be unable to secure ofsted regulated placements.

4.2 Option Two - Adopt the proposed uplift to fostering allowances. This will ensure that foster carers can afford to cover the costs of caring for our children in care and can commit to fostering as a career. It will enhance our capacity to recruit foster carers for our harder to place cohort of older and more complex children, and ensure we are competitive with Independent Fostering Providers and neighbouring Local Authorities. Appendix 2 shows the difference between our current rates and those of neighboring authorities. Over 35% of our foster carers currently reside in West Sussex so this is the most relevant comparator. Increasing the number of BHCC foster carers, will increase placement choice for our children in care offering our older teenagers the opportunity to continue to experience family care until they are ready to move to independence.

4.3 The cost of the proposed uplift is £486k which is the equivalent of 2 Residential placements or 1 Residential placement and 4 Supported Accommodation Semi-Independent placements.

5. Community engagement and consultation

5.1 We have engaged with our fostering community, fostering network which represents foster carers and Fostering Placements and Permanence staff group who support and supervise foster carers and kinship carers.

5.2 There is widespread support for the proposed changes to the fostering allowance structure.

6. Conclusion

6.1 Option Two is the preferred option. The proposed changes to the fostering allowances will reassure existing and prospective foster carers that they can afford to pursue a career in fostering vulnerable children in care for BHCC.

6.2 Uplifting our fostering allowances will enable BHCC to compete with neighbouring Local Authorities and Independent Fostering providers in the highly competitive market of foster carer recruitment.

6.3 BHCC foster carers will feel their concerns have been addressed and will feel valued and respected for the vital role they play in supporting our children in care to be the best they can be.

7. Financial implications

7.1 The 2023/24 budget for in-house placements is £9.343m. That includes an uplift as at 1st April 2023 of 3% following an increase of 7% in 2022/23. The proposed restructure of the allowances as set out in paragraph 3.11 above and appendix 1, have an estimated full year cost of £0.486m.

7.2 This proposal forms part of the overall financial strategy for the agency placement budget which totals £24.133m and is linked to the savings approved by Budget Council (i.e. is an element of the £1.282m saving in 2023/24 – page 464 of the Budget Council papers). The estimated additional

cost of £0.486m is the equivalent of a reduction of between 2-5 high-cost placements and will be funded from savings generated from within the overall 2023/24 agency placement budget.

Name of finance officer consulted: David Ellis Date consulted: 05/05/23

8. Legal implications

There are no legal implications, other than that the allowance paid to Special Guardians is based on what the Local Authority pay to foster carers (as a matter of both national practice based on High Court decisions and Brighton and Hove City Council's own policy) and that it is assumed that this has been factored into the financial calculations within this report.

Name of lawyer consulted: Andrew Pack Date consulted 01.06.23

9. Equalities implications

9.1 BHCC Fostering Placements and Permanence Service welcomes interest from all sections of the community and is actively seeking to recruit foster carers who reflect the needs of our children in care. We have worked with My Muslim Foster Family organisation over the last 2 years to increase understanding and interest in fostering across the various Black and Global Majority communities in the city.

9.2 We offer support to LGBTQ carers from My Family Social which is an organisation run by and for LGBTQ foster carers and adopters.

10. Sustainability implications

10.1 Foster carers are aware of BHCC's carbon neutral pledge and are supported to work to this.

11. Other Implications

Social Value and procurement implications

11.1 An effective fostering allowance scheme will support individuals from all communities to consider applying to become foster carers for the city's children in care population.

Crime & disorder implications

11.2 Good quality foster care can support teenagers to address anti-social and offending behaviours.

Public health implications:

11.3 Foster carers adhere to public health guidance when looking after our children in care.

Supporting Documentation

1. Appendices

1. Table 1 Summary of Proposed Fostering Allowances 2023-24
2. Table 2 Comparison of Allowances with neighbouring Authorities

