

REPORT TO: Cabinet

MEETING DATE: 9 April 2013

BY: Executive Director (Services for People)

SUBJECT: Children's Wellbeing Kinship Care and Fostering Strategy: Payments to Foster Carers and Kinship Carers

1 PURPOSE

- 1.1 To update Cabinet and seek agreement on proposed increases to payments to Foster Carers and to Kinship Carers 2013-2014.

2 RECOMMENDATIONS

- 2.1 Cabinet is recommended to approve this report, increasing payments to Foster Carers and Formal and Informal Kinship carers as detailed in paragraphs 3.8 and 3.15 below.

3 BACKGROUND

Foster Care

- 3.1 East Lothian continues to recruit, support and retain a very committed cohort of foster carers who provide placements for 92 East Lothian children and young people. The Family Placement Team has, over the past two years through sustained recruitment, preparation and assessment ensured that new, skilled and enthusiastic carers are joining our East Lothian carer community as some of our most experienced foster carers retire.
- 3.2 East Lothian has experienced an increase of 52% in the numbers of looked after children who are accommodated in foster care since 2010; an increase from 65 to 99 between March 2010 and February 2013. This is commensurate with the national trend in Scotland. A recent review of all our children and young people in foster care has highlighted that a lower percentage of children in foster care are reunified with their birth families once they have been accommodated than in the past. This is due to improved multi-agency working and the range of interventions now available to strengthen families in the

community before consideration is given to remove children from their families. When decisions are taken to accommodate children all other options including kinship care have been explored. This results in more of our foster carers making a commitment to care permanently for the children they are caring for. For some carers they are making a 12 year commitment to care for the child or children in placement.

- 3.3 There has been a sharp growth in the number of independent fostering agencies operating in Scotland in recent years. Many local authorities have purchased placements from them to meet the increase in numbers of children being looked after and accommodated. A number of independent fostering agencies now actively recruit foster carers in East Lothian as do the City of Edinburgh Council. These independent fostering agencies and the City of Edinburgh Council offer Fostering Allowances at the Fostering Network's recommended allowances which are higher than that paid to foster carers in East Lothian.
- 3.4 The growth of these voluntary and independent fostering agencies and management fees charged has prompted Scotland Excel and COSLA to negotiate a National Fostering Contract to ensure realistic management charges and best value in the current economic climate. An announcement is imminent regarding which independent fostering agencies have successfully applied onto the two year national framework contract. There is not full buy-in to the national fostering contract as some local authorities have negotiated service contracts with specific voluntary and independent fostering providers. However, Children's Wellbeing supports the National Fostering Contract and if required to seek a placement outwith our own resources would first approach the agencies on the National Framework. At the present time East Lothian has 7 children placed in external foster placements: 4 of these are specialist placements. These placements are monitored regularly by senior managers.
- 3.5 The Scottish Government has recently set up a short life advisory group to look at proposals about fostering generated from the Scottish Children's Reporter's Association report on permanence planning for looked after children and the national consultation on the Children and Young People's Bill as follows:
 - Variability in the standard of management, training and support available to foster carers
 - Restrictions on the movement of foster carers
 - A national register
 - Foster carers place in the 'team around the child'
 - Variability in the quality of carers (between authorities, between sectors)
 - Number of placements within one foster care household

- Variability in the payment of allowances and fees
- The market and foster care provision; has it delivered improvements in standards in a cost efficient manner?

This Fostering Review advisory group will report by December 2013 and may make recommendations with regard to a national rate of fostering allowances and fees.

3.6 Foster carers receive two types of financial support:

- The **FOSTERING ALLOWANCE** is intended to cover the cost of caring for the child. It includes an element for clothing and personal spending, as well as a general maintenance allowance for food, contribution to household expenses, day- to -day living costs and social activities. The amount of Fostering Allowance payable depends on the age of the child. The Fostering Allowance is calculated as 56 weeks to include a week's standard allowance paid for child's birthday, a December payment and two weeks to cover additional expenditure over the school holidays.
- The **FOSTERING FEE** is a financial reward for the carer, which acknowledges the time, skill and effort involved in caring for children who are looked after away from home. East Lothian has three levels of Fostering Fees. These are calculated over 55 weeks to include 3 weeks holiday payment.

3.7 Although East Lothian does not pay the Fostering Network recommended rate for fostering allowances, our terms and conditions and foster carer fees compare favourably with other local authorities in terms of a 12 week retainer being paid to carers who do not have a child in placement and are available for placements and three weeks paid holiday . We continue to explore how we can offer benefits available to employees of the council to our foster carers and kinship carers. The independent agencies generally pay higher fees and allowances to carers and to provide intensive support. East Lothian Council has not lost carers to independent fostering agencies or higher paying local authorities. Our foster carers value the professional support provided by members of the Family Placement Team and are committed to provide East Lothian foster placements for East Lothian Children. However, we need to remain competitive in this current complex foster care market. The last increase in foster carer payments was made was in 2011/12 with significant increases made in fees for level 1 and Level2 carers and a 2% uplift in fostering allowances, share the care, adoption and kinship care allowances.

3.8 The Fostering Network recommends a certain level of fostering allowances that are intended to cover the cost of caring for the child. East Lothian Council has so far been unable to implement these rates of allowance. The Fostering Network has recommended increases in

fostering allowances of 2% for 2013/14 and an increase in fees aligned to increase in salary of employees of the agency. This report is proposing a 1% increase in foster carer fees and a 2.7% increase in fostering allowances.

Kinship Care

- 3.9 The Scottish Government has convened a short life working group to look specifically at payments to kinship carers. Originally due to make recommendations in January 2013, the date has been extended with no identified reporting date at the time of writing this report. However, the consultation on the Children and Young People's Bill also includes a proposal for kinship care orders which are intended to reduce families' reliance on local authorities for income support. There will be a one-off cost to put these orders in place. Details will be in secondary legislation at a later date.
- 3.10 Kinship carers are defined as "a relative or close friend who cares for a child or young person where":
- The local authority places the child or young person with the carer on an informal basis.
 - Or an order is made by the Children's Hearing, which means the child young person is formally looked after.

The current national guidance in relation to payment to kinship carers is that formal kinship carers should be paid the equivalent of the Fostering Network recommended fostering allowance (less child benefit). In East Lothian currently formal kinship carers are paid at 60% of what foster carers receive and are paid for 52 weeks rather than the 56 weeks that foster carers receive. Any income they receive from the state is deducted from this. There is no national guidance about what informal carers should be paid.

3.11 Local authorities must explore all kinship care options before accommodating a child into foster care or a residential placement. In East Lothian our numbers of children in kinship care where we provide financial support have not grown at the same rate as some local authorities. The evidence from consultation with kinship carers both nationally and locally is that they are not seeking a lot of financial support but value practical support and advice to manage the complexity around relationships with the child's parents. This is evidenced by the fact that in East Lothian we have contact with around 100 kinship carer households through distribution of our kinship care newsletter but offer financial support to 48 households. Many of these other arrangements are ones where families themselves have made decisions about relatives bringing up children without the involvement of the local authority.

- 3.12 In East Lothian we have a specialist kinship care worker. We are also working in partnership with Mentor UK who secured Big lottery funding

for 2 Family support workers and 10 volunteers to support both formal and informal kinship carers in East Lothian. At present the Mentor UK workers are supporting 40 kinship care households, facilitating 2 kinship care support groups, arranging family events and activity camps for the children and young people. This enables the specialist worker to focus on complex assessments and support. Children 1st have the national training contract for kinship carers and East Lothian kinship carers participate in some of this formal training. Citizen's Advice Bureau staff are trained to undertake specific benefits checks for kinship carers and a benefits check for kinship carers is routine in East Lothian.

- 3.13 In Children's Wellbeing a key part of our Business Plan over the next 3 years is to explore resources within families in a more rigorous way so that fewer children require to be accommodated with strangers. It is envisaged that this will be achieved through the use of the principles of the of the Strengthening Families approach in our work with service users. This approach empowers families to find their own solutions to the care and support children and young people need as appropriate. We hope through this strategy to achieve an increase from the current 48 to 70 kinship placements. We hope to do this with an increase of 7 in the first year. This could prompt a decrease in foster care and longer term; an adjustment may be made to the kinship care budget from the fostering one.
- 3.14 As part of a recent overview of how we are paying kinship carers in East Lothian we benchmarked across other local authorities. This has highlighted a wide range of approaches to the implementation of kinship care payments. Some areas have introduced flat rate schemes, others are paying the equivalent rate to foster cares and others are paying a percentage of what they pay their foster carers.
- 3.15 In East Lothian it is proposed that we implement a flat rate of £80 for formal kinship carers and £50 for informal kinship carers and that this is paid over 56 weeks like Foster Carers providing an additional week's allowance in December, child's birthday and two weeks to cover additional holiday expenses. Benefits received from the state will not be deducted from this. Analysis indicates that most kinship carers would gain but a few could lose 'income' as a consequence of the introduction of a new flat-rate payment structure. It is proposed that these kinship carers would be given transition protection at their current payment rate for the duration of the current placements within their households.
- 3.16 These payments are not income maintenance. They are being made to meet the social and emotional and recreational needs of the child rather than accommodation and maintenance costs. They are also recognition in particular for formal kinship carers of the complexity of the task they undertake. In all circumstances income maximisation will take place to ensure that all benefits are in place and that the payment of the allowance does not negatively impact on benefit entitlement.

- 3.17 When appropriate kinship carers should be encouraged to apply for a residence order. This legally secures a child in the family. Families should be encouraged and supported to apply for legal aid but where appropriate reasonable legal costs should be paid. These cases should be considered by the Kinship Care Panel and a recommendation made as to the level of payment to be made. These limited costs will be met from within the allocated Children's Wellbeing budget. These carers will continue to receive the flat rate kinship care allowance until the child young person reaches the age of 16.

4 POLICY IMPLICATIONS

- 4.1 There are no new policy implications associated with this report.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 An Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – This report proposes a 1% increase in foster carer fees and 2.7% increase to fostering allowances, alongside the implementation of a flat rate of £80 per week for formal kinship carers and £50 per week for informal kinship carers. As part of the 2013/14 Council budget £150,000 was added to Children's Wellbeing to provide additional support for the care of children in the community. Staff from Finance have reviewed the proposals and have assessed that the increased costs arising will be managed within the approved Children's Wellbeing Budget 2013-2014.
- 6.2 Personnel - There are no personnel issues related to this report.
- 6.3 Other – None.

7 BACKGROUND PAPERS

- 7.1 None.

AUTHOR'S NAME	Celia Borland: Acting Service Manager - Resources, Children's Wellbeing Marion Wood: Service Manager, Practice, Children's Wellbeing Sharon Saunders: Head of Children's Wellbeing
CONTACT INFO	Tel: 01620 827930 email: cborland@eastlothian.gov.uk Tel: 06120 820116 email: mwood@eastlothian.gov.uk Tel: 01620 827632 email: ssaunders@eastlothian.gov.uk
DATE	12 March 2013