

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	8th February 2012	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2355
TITLE:	Fostering allowances annual review	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – proposed fostering allowances 2012		

1 THE ISSUE

1.1 Annual review of fostering and related allowances.

2 RECOMMENDATION

The Cabinet agrees:

2.1 To increase fostering age related allowances and permanence allowances in line with Fostering Network recommendations as set out in appendix 1

2.2 No change in fostering fees, savings rates for children in care, or supported lodgings as set out in appendix 1

2.3 To note the current level of care leavers maintenance which is linked to Job Seekers Allowance as set out in appendix 1.

3 FINANCIAL IMPLICATIONS

- 3.1 The recommendation is to increase fostering age related allowances in line with the actual cost of looking after a child worked out annually by the Fostering Network. It is recommended to maintain foster carers fees at the same level as 2011/12 in line with local government pay. The total resulting net increase in in-house placement costs is estimated to be less than the cost of a single placement for one year with an Independent Fostering Provider (IFP), which averages around £45,000. The increase in costs will be managed within overall placement budgets by continuing to increase the number of in-house foster carers thus reducing pressure on the IFP budget. The overall placement budget for children in care in 2011/12 is £4,639,128, of which £1,428,754 is allocated for in-house fostering allowances and fees.
- 3.2 Regulations require that the rate used for calculating adoption and special guardianship allowances must be based on the fostering age related allowance, which ensures that the actual cost of looking after a child is always supported when children leave care through an adoption or special guardianship order. The allowances actually paid will depend on individual annual financial reviews based on the new rates and any change in circumstances for families in receipt of allowances. It is anticipated that any resulting increase can be managed within the existing budget allocation for permanence allowances which is £221,651 overall.
- 3.3 The recommendation is for no change in savings rates for children in care or supported lodgings rates.
- 3.4 Care leavers maintenance is linked to Job Seekers Allowance rates in line with regulations and guidance. The current expectation is that there will be no increase in these rates for 2011/12.

4 CORPORATE PRIORITIES

- *Improving life chances of disadvantaged teenagers and young people*

5 THE REPORT

- 5.1 The local authority has statutory duties to look after children in need of accommodation or care under the Children Act 1989, and statutory duties in respect of support for young people moving on from care and children adopted from care or placed with Special Guardians. The majority of children come into care to safeguard them from abuse or neglect, while others may need care following irretrievable family breakdown or because of complex needs which mean parents are unable to meet their needs. The local authority also has a duty to secure a sufficient supply of local placements for children in care.
- 5.2 Bath and North East Somerset Council prevents many children from coming into care, and achieves the safe return home of some children who do come into care short term, through excellent preventive services and partnerships. The majority of children who do need to be in care are placed in foster placements, many of which are within our in-house fostering service. We have been successful in recruiting and retaining local foster carers both through having a service judged outstanding by OFSTED which ensures excellent support and through making sure that foster carers' costs are fully covered.

- 5.3 Since 2005 we have paid age related allowances which fully cover the cost of caring for a child, based on rates recommended nationally by the Fostering Network. These allowances are paid alongside a system of fees related to foster carers' skills and the challenges posed by some of the children we care for.
- 5.4 The Fostering Network makes recommendations annually for fostering age related allowances, based on an assessment of the real cost of caring for a child or young person of different ages. In 2010 allowances were frozen and in 2011 the recommendation was for an increase of 5.1% based on actual inflation since the allowances were last increased in 2009. For 2012 the recommendation is for a 2.3% increase in line with CPI inflation forecast for 2012. We are therefore recommending an increase in local age related allowances in line with the Fostering Network recommendation to ensure that the full cost of looking after children in our care continues to be met.
- 5.5 The scheme of fees introduced in 2005 recognises the skills of foster carers. These fees have usually been increased each year in line with local authority wage and salary increases. In 2010 and 2011 there was no change in line with local authority pay and we are recommending that fees be maintained at the same level for 2012 again in line with pay for staff.
- 5.6 Regulations require that the maximum rate for adoption and special guardianship allowances must be based on the fostering age related allowance, which ensures that the actual cost of looking after a child is always supported when children leave care through an adoption or special guardianship order. It is therefore recommended that the maximum permanence allowance payable be increased in line with the increase in age related allowances.
- 5.7 It is proposed that there be no change for 2012 in supported lodgings rates or the savings rate for our children in care savings scheme. This is in line with local government pay.
- 5.8 Our fee for therapeutic foster carers is linked to the local government salary scales. Salaries, and therefore these fees, are not currently expected to rise for 2012/13.
- 5.9 The maintenance rate we pay young people moving on from care to independence when required is linked to Job Seekers Allowance (JSA) rates. This link must be maintained to ensure care leavers' basic needs are met when eligible for maintenance and this link is now set out in statutory guidance which came into force from April 2011.

6 RISK MANAGEMENT

- 6.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

7 EQUALITIES

- 7.1 No specific equality issues arise from this report. Children in care, in permanent substitute care and moving on from care are particularly vulnerable groups and the proposed allowances ensure that their living costs are fully covered.

8 RATIONALE

8.1 The Council has duties in statute, regulations and guidance to act as a Corporate Parent and provide placements for children in its care, to promote adoption, special guardianship and residence orders as forms of permanence and to maintain and support young people moving on from care to adulthood. The proposal in this report ensures that basic living costs for these vulnerable children and young people continue to be met by the Council acting as Corporate Parent.

9 OTHER OPTIONS CONSIDERED

9.1 A revised local scheme of fees and allowances for foster carers was introduced in April 2005. Our age related allowances since 2005 have been based on the Fostering Network recommended rates and thus cover the full direct and additional costs of looking after a child in foster care. This was based on the Council's commitment to meet the full cost of looking after children for whom we are the Corporate Parent. Foster carers face day to day costs which increase or decrease in line with inflation, and this is taken into account by the Fostering Network in making its recommendation. Reducing or freezing allowances for Bath and North East Somerset carers against the Fostering Network recommendation would depart from the Council's 2005 commitment to cover the full costs to foster carers of looking after children and effectively ask carers to subsidise these costs. This option would risk significant damage to our efforts to recruit and retain local carers.

9.2 The scheme of fees introduced in 2005 recognises the skills of foster carers. These fees have been increased each year in line with local authority wage and salary increases, apart from 2006 when there was no change, and the last two years when salaries have been frozen. It is not necessary or right to increase these fees in the context of a wage and salary freeze.

10 CONSULTATION

10.1 *Section 151 Finance Officer; Monitoring Officer*

10.2 Report copied to relevant officers for comment.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 *Social Inclusion; Human Resources; Young People;*

12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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Sponsoring Cabinet Member	<i>Councillor Nathan Hartley Deputy Leader & Cabinet Member for Early Years, Children and Youth with responsibility for Skills and Employment</i>
Background papers	

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