

Decision Maker: **Children and Young People
Policy Development and Scrutiny Committee**

Date: **24 January 2012**

Decision Type: Non-Urgent Executive Non-Key

**TITLE: FOSTER CARER PAYMENTS: INITIAL CONSULTATION WITH
THE CYP PDS COMMITTEE**

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Chief Officer: Gillian Pearson, Director of Children and Young People Services

Ward: Bproughwide

1. Reason for report

- 1.1 The Local Authority is undertaking consultation regarding proposed revisions to the local policy for Foster Carers' Allowances. The views of the Children and Young People Policy Development and Scrutiny Committee are sought as part of the consultation process.
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2. **RECOMMENDATION(S)**

- 2.1 **The Children and Young People Policy Development and Scrutiny Committee is asked to consider and comment on the proposed local policy for Foster Carers' Allowances as part of the Local Authority's consultation process.**

Corporate Policy

1. Policy Status: Existing policy:
 2. BBB Priority: Children and Young People
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Fostering Placement Budget
 4. Total current budget for this head: £3,613,900
 5. Source of funding: Base Grant
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Staff

1. Number of staff (current and additional) – N/A
 2. If from existing staff resources, number of staff hours – N/A
-

Legal

1. Legal Requirement: Statutory requirement:
 2. Call in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected) -
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 The current foster carer weekly allowance scheme was introduced in 2002.
- 3.2 As part of a wider review of all allowances a paper was tabled at the Executive Working Party: Safeguarding and Corporate Parenting on the 15 February 2011 recommending changes to the foster carer payment scheme which was designed to begin to address the recruitment difficulties in attracting new foster carers, particularly for adolescents and disabled children, review the maintenance element of the scheme (the money paid to carers to provide food, clothing, activities etc), and to simplify the administration of the allowances so that they could be more easily processed electronically.
- 3.3 Members of the Executive Working Party, whilst broadly in agreement with the proposals felt that elements of the proposals required more detailed analysis to see if they could be simplified further and that a bench marking exercise with other local authority foster carer payment schemes should be included in future proposals to assist them with forming an appropriate view as to the way forward.
- 3.4 To assist, support was sought and provided from the Corporate Organisational Team who reviewed a number of options. Initial analysis highlighted that the Bromley scheme was more generous than our neighbouring local authorities, particularly in relation to the maintenance element of the payment, did not provide additional incentives for carers who were willing to foster adolescents or disabled children and was complex to administer.
- 3.5 As a result, three new payment options were developed that encompassed the following principles:
- Payments to foster carers are fair and paid in a timely way.
 - Foster carers are clear about the fostering service's payment structures and payments due to them.
 - Bromley's current generous maintenance allowance, in comparative terms to other local authorities (as illustrated in the table 1) is reviewed to more accurately reflect the actual cost of caring for a child or young person and is in line with national guidance and the rates recommended by the Fostering Network.
 - That the fee structure for our professional carers reflect any additional demands placed on foster carers who provide placements for disabled children and our more difficult to place young people (typically adolescents) who present with challenging behaviour.
 - The recruitment and retention of foster carers is not adversely affected by any change to the payment structures which would mean that Bromley loses any competitive edge over other foster care providers, but does take account of the difficult financial circumstances that the Council is facing over the next few years.
- 3.6 On the 11 October, the Safeguarding and Corporate Executive Working Party considered a paper which outlined four options for a revised payment scheme, one of which was to leave the scheme unchanged which was not supported. Of the remaining three schemes one was rejected on the basis that it would require additional funding, on top of additional investment of £1m made in 2011/12 to cover the increased numbers of looked after children, which is not available in the current financial climate.

- 3.7 It was noted that of the two remaining schemes, which can be funded from within the current budget envelope, both schemes still placed payments to Bromley foster carers at a rate above those of our neighbouring Boroughs.
- 3.8 Members were concerned that with both schemes the level of professional fee did not fully address 'reward' for foster carers that offered placements for adolescents or disabled children and asked that the costings be reworked to deal with this issue and the matter be considered further at a special meeting of the Safeguarding and Corporate Parenting Executive Working Party that was held on the 14 November 2011.
- 3.9 On the 17 November 2011, at a Special Meeting of the Portfolio Holder which took into account comments made by Members of the Executive Working Party on the 14 November 2011 the Portfolio Holder consented to a formal consultation with foster carers on the following foster carer allowances:

Age related maintenance rate and professional fee paid at the either a standard or enhanced rate, as illustrated in the table below:

Age	Maintenance		Standard Fee		Enhanced Fee
0 – 4	£157.85		£175.00		£250.00
5 – 10	£179.95	Plus	£175.00	or	£250.00
11 – 12	£224.09		£175.00		£250.00
13 – 15	£224.09				£250.00
16+	£272.13				£250.00

This option meets the objective of reducing the maintenance rate in line with that suggested by the Fostering Network.

The modelling in this option has assumed that young people over the age of 13 will automatically attract the enhanced fee as they are the cohort of young people that we often struggle to place with in-house carers.

It is envisaged that children under the age of 13 will not attract the enhanced fee unless they are disabled children with additional needs.

- 3.10 It was acknowledged that foster carers for one child under the age of 13 would see a reduction in their total weekly payment due to these proposals and that it was important to gauge the views of carers and in particular their willingness to remain as foster carers with Bromley following these changes.
- 3.11 The consultation will run for a period of six weeks from the 12 December ending on Friday 27 January 2012 (excluding the Christmas period) and will include an opportunity for foster carers to attend a consultation meeting with Officers to answer any questions that may have.
- 3.12 In addition to general comments, foster carers have been asked to specifically comment upon two questions, which are:
- Foster carers that provide placements for disabled children and young people and/or young people that have challenging behaviour should receive an enhanced professional fee?

And

- The proposal represents a fair and transparent allowance scheme for foster carers.

- 3.13 A copy of the formal consultation documents are attached as **Appendices 1 and 2**.
- 3.14 The outcomes from consultation, including the views and comments received from foster carers, will be collated and analysed, together with other feedback and be reported to the CYP PDS on the 21 February 2012 for comment prior to formal consideration by the Portfolio Holder for Children and Young People Services.

4. POLICY IMPLICATIONS

- 4.1 It is the policy of the London Borough of Bromley that wherever possible, a child or young person who needs to be looked after should be placed within a family setting.
- 4.2 The foster carer allowance scheme is fair and transparent and meets the needs of the children and young people placed.

5. FINANCIAL IMPLICATIONS

- 5.1 The cost of these proposals will be met from the existing budget.

6. LEGAL IMPLICATIONS

- 6.1 The Council is required by law (Children Act 1989) to look after children where their parents or carers are prevented from doing so.
- 6.2 The Council is required under the Fostering Regulations (England 2011) to have a fair and transparent policy in relation to foster carer allowances.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	<p>Foster Carer Allowances – Report to the Safeguarding and Corporate Parenting Executive Working Party – 15 February 2011</p> <p>Foster Carer Allowances – Report to the Safeguarding and Corporate Parenting Executive Working Party – 11 October 2011</p> <p>Foster Carer Allowances – Revised Report to the Safeguarding and Corporate Parenting Executive Working Party – 14 November 2011</p> <p>Foster Carer Allowances – Report to the Special Meeting of the Portfolio Holder – 17 November 2011</p>



Dear Foster Carer,

Foster Carer Allowances – Consultation

At their meeting on the 17 November, the Children and Young People Portfolio agreed to consult with foster carers about proposals to change the current allowance scheme.

This consultation will run for a period of six weeks from the 12th December ending on Friday 27th January 2012 (excluding the Christmas period)

What are the changes being suggested and why?

Our current allowance scheme was introduced in 2002 following consultation with foster carers and was designed to meet the demands for foster care placements at the time, together with a scheme that fairly rewarded carers for the work that they undertake.

Since 2002, we have seen an increase in the number of children that require a foster placement particularly those over the age of 13 or who are disabled. This has led to an increasing use of expensive, out of borough, independent fostering agency placements for this group of children and young people.

Our current scheme is complex to administer and does not address the shortage of placements for adolescents or disabled children within Bromley. We have explored a number of ways that we can address this within the current financial situation that the Council is facing where it has to identify significant savings over the next four years to meet reductions in Government grants. The financial context is significant because the Council has already invested an extra £1.5 million pounds in its placement budget in 2011/12 to take account of the extra numbers of looked after children. It means that there is no additional money available to invest in attracting and supporting carers that provide placements for our most complex and challenging children and young people. As a result the Council has had to develop these proposals from within existing, enhanced 2011/12 budgets

All of our work in reviewing our foster carers allowance scheme has been framed within the following principles:

- Payments to foster carers are fair and paid in a timely way.
- Foster carers are clear about the fostering service's payment structures and payments due to them.

- Bromley's current generous maintenance allowance, in comparative terms to other local authorities (as illustrated in the table 1) is reviewed to more accurately reflect the actual cost of caring for a child or young person and is in line with national guidance and the rates recommended by the Fostering Network.
- That the fee structure for our professional carers reflect any additional demands placed on foster carers who provide placements for disabled children and our more difficult to place young people (typically adolescents) who present with challenging behaviour.
- The recruitment and retention of foster carers is not adversely affected by any change to the payment structures which would mean that Bromley loses any competitive edge over other foster care providers, but does take account of the difficult financial circumstances that the Council is facing over the next few years.

Proposed Allowances

It is proposed to introduce an age related maintenance rate and professional fee paid at either a standard or enhanced rate, as illustrated in the table below:

Age	Maintenance		Standard Fee		Enhanced Fee
0 – 4	£157.85		£175.00		£250.00
5 – 10	£179.95	Plus	£175.00	or	£250.00
11 – 12	£224.09		£175.00		£250.00
13 - 15	£224.09				£250.00
16+	£272.13				£250.00

- Young people over the age of 13 will automatically attract the enhanced fee as they are the cohort of young people that we often struggle to place with in-house carers.
- It is envisaged that children under the age of 13 will not attract the enhanced fee unless they are disabled children with additional needs.

When would any changes be made?

Following the close of the consultation period a further report, incorporating comments received and recommendations will be presented to the Children and Young People Policy Development and Scrutiny Committee at their meeting in February 2012.

Should Members be minded to agree to the revised allowance scheme this will be implemented from the 1st April 2012.

Full details of the timetable are contained within the section 'Your views and comments'

How do Bromley’s proposals compare with allowance schemes of other local authorities?

Local Authority Comparisons

Age	Rate	Bromley Current	Croydon	Lewisham	Lambeth	Greenwich	Bexley	Bromley Proposed
0 – 4	Standard	£408.10	£322.00	£284.16	£351.45	£285.26	£286.70	£329.30
	Enhanced		£363.03					£404.30
5 – 10	Standard	£418.53	£322.00	£309.42	£351.45	£312.59	£298.16	£350.90
	Enhanced		£389.68					£425.90
11 – 12	Standard	£472.78	£322.00	£333.86	£351.45	£367.20	£361.92	£394.05
	Enhanced		£447.45					£469.05
13 – 15	Standard	£472.78	£322.00	£359.04	£386.71	£367.20	£361.92	£469.05
	Enhanced		£447.45					£469.05
16+	Standard	£554.19	£394.78	£456.22	£386.71	£426.62	£379.58	£516.01
	Enhanced		£479.87					£516.01

Note:

The figures above includes both a standard and enhanced rate (where this information is known). For local authorities that pay one standard rate this is shown as the only payment.

The figures represent the weekly cost of ONE child in placement and include maintenance and professional fee.

Apart from Lambeth (for the 0 – 4 age group) Bromley’s proposal pays more than our neighbouring authorities.

How would these proposals impact on foster carers income tax liabilities?

The allowances received by foster carers comprise different component parts. The current rates were structured to blend in with the income tax regime in place at that time which treated maintenance as non-taxable.

Subsequently the tax framework has been changed and pre tax qualifying allowances are now –

- Up to £10,000 per annum (just under £200 per week) per household, plus
- £200 per week/per child (age 0-10) and
- £250 per week/per child (age 11+).

Both qualifying amounts are treated as pro rata.

Example:

A foster carer looks after one fourteen year old for the whole of the year and for one eight year old for ten weeks of the year. The qualifying amount will be made up as follows:

Fixed amount -	£10,000
Child 1 (52 x £250) -	£13,000
Child 2 (10 x £200) -	£2, 000
Total -	£25,000

If the carer’s total receipts from foster care are less than the qualifying amount, the receipts are exempt from income tax.

Further information on foster carers income tax liabilities can be found at:

<http://www.hmrc.gov.uk/individuals/foster-carers.htm>

Your views and comments

This document is intended as a basis for consulting with foster carers on the proposal. We welcome your views about changes to the foster carer allowances.

In particular, we would welcome your views on the following:

- Foster carers that provide placements for disabled children and young people and/or young people that have challenging behaviour should receive an enhanced professional fee?
- The proposal represents a fair and transparent allowance scheme for foster carers.

In addition, we would welcome general views about our proposals.

To comment on this proposal:

- Complete the response form at the end of this document and return it in the freepost envelope included.
- Email your comments to: Foster.carersconsultation@bromley.gov.uk
- Attend a consultation meeting:
17 January 2012 @2pm
Civic Centre, Stockwell Close, Bromley, BR1 3UH

Or

- 18 January 2012 @ 6.30pm
Civic Centre, Stockwell Close, Bromley, BR1 3UH

Your comments need to be with us by Friday, 27 January 2012.

Timetable:

- 14 November 2011 ○ Approval from Children and Young People Portfolio Holder to commence consultation
- 12 December 2011 ○ Consultation commences
- 17 January 2012 ○ Consultation Meeting: 2pm
- 18 January 2012 ○ Consultation Meeting: 6.30pm
- 27 January 2012 ○ Consultation ends
- 21 February 2012 ○ CYP PDS Committee Meeting
- 28 February 2012 ○ CYP Portfolio Holder decision.

Foster Carer Allowances – Response to the proposals

We would welcome your views on the following two questions:

Foster carers that provide placements for disabled children and young people and/or young people that have challenging behaviour should receive an enhanced professional fee?

Strongly Agree	Agree	Neither agree/ disagree	Disagree	Strongly Disagree

The proposal represents a fair and transparent allowance scheme for foster carers.

Strongly Agree	Agree	Neither agree/ disagree	Disagree	Strongly Disagree

Please add any further comments:

Please indicate whether you will be attending a consultation meeting:

Tuesday 17 January 2012 at 2.00pm

Wednesday 18 January 2012 at 6.30pm

If you would like receipt of your response to be acknowledged, please complete your name and address below. While it will not be possible to respond to individual points, all comments received will be summarised in the consultation outcome report.

Name:
Address:



Dear Carer,

Kinship Foster Carer Allowances – Consultation

At their meeting on the 17 November, the Children and Young People Portfolio agreed to consult with foster carers about proposals to change the current allowance scheme.

This consultation will run for a period of six weeks from the 1st December ending on Thursday 12th January 2012.

What are the changes being suggested and why?

Our current allowance scheme was introduced in 2002 following consultation with foster carers and was designed to meet the demands for foster care placements at the time, together with a scheme that fairly rewarded carers for the work that they undertake.

During 2011 we have been undertaking a review of all allowances paid to foster carers, Special Guardianship carers and those that receive a Residence Order Allowance. In undertaking the review, it has been identified that our current maintenance payments are significantly greater than the statutory guidance set by Government and the maintenance allowance recommended by the Fostering Network.

The current financial situation that the Council is facing is that it has to identify significant savings over the next four years to meet reductions in Government grants at a time when the numbers of looked after children needing Council care has increased. The financial context is significant because the Council has already had to invest an extra £1.5 million pounds in its placement budget in 2011/12 to take account of the extra numbers of looked after children. As a result the Council has had to develop the new foster care allowance proposals from within existing, enhanced 2011/12 budgets.

We fully appreciate that any changes to allowances is not easy but hope that you will understand our reasoning for this.

All of our work in reviewing our foster carers allowance scheme has been framed within the following principles:

- Payments to foster carers are fair and paid in a timely way.
- Foster carers are clear about the fostering service's payment structures and payments due to them.

- Bromley's current generous maintenance allowance is reviewed to more accurately reflect the actual cost of caring for a child or young person; broadly in line with those recommended by the Fostering Network.
- The recruitment and retention of foster carers is not adversely affected by any change to the payment structures which would mean that Bromley loses any competitive edge over other foster care providers, but does take account of the difficult financial circumstances that the Council is facing over the next few years.

Proposed Allowances

It is proposed to introduce an age related maintenance rate based on that recommended by the Fostering Network.

Age	Maintenance Allowance
0 – 4	£157.85
5 – 10	£179.95
11 – 15	£224.09
16+	£272.13

In addition, it is proposed that we pay an additional 1 week's maintenance allowance at Christmas and the child's birthday, to acknowledge additional costs during these times plus two weeks additional maintenance allowance to during the summer to assist with costs associated with holidays or summer activities. These four weekly payments will be paid at the age rates above.

When would any changes be made?

Following the close of the consultation period a further report, incorporating comments received and recommendations will be presented to the Children and Young People Policy Development and Scrutiny Committee at their meeting in February 2012.

Should Members be minded to agree to the revised allowance scheme this will be implemented from the 1st April 2012.

Full details of the timetable are contained within the section 'Have your say'

How would these proposals impact on foster carers income tax liabilities?

The allowances received by foster carers comprise different component parts. The current rates were structured to blend in with the income tax regime in place at that time which treated maintenance as non-taxable.

Subsequently the tax framework has been changed and pre tax qualifying allowances are now –

- £200 per week/per child (age 0-10) and
- £250 per week/per child (age 11+).

Both qualifying amounts are treated as pro rata.

If the carer's total receipts from foster care are less than the qualifying amount, the receipts are exempt from income tax.

Further information on foster carers income tax liabilities can be found at:

<http://www.hmrc.gov.uk/individuals/foster-carers.htm>

Have your say

This document is intended as a basis for consulting with foster carers on the proposal. We welcome your views about changes to the foster carer allowances.

In particular, we would welcome your views on the following:

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 - Consultation ends
- 21 February 2012
 - CYP PDS Committee Meeting
- 28 February 2012
 - CYP Portfolio Holder decision.

Kinship Carer Allowances – Response to the proposals

We would welcome your view on the following question:

The proposal represents a fair and transparent allowance scheme for foster carers.

Strongly Agree	Agree	Neither agree/disagree	Disagree	Strongly Disagree

Please add any further comments:

Please indicate whether you will be attending a consultation meeting:

Tuesday 17 January 2012 at 2.00pm

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If you would like receipt of your response to be acknowledged, please complete your name and address below. While it will not be possible to respond to individual points, all comments received will be summarised in the consultation outcome report.

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Address: