

Decision Maker: Care Services Portfolio Holder

For Pre-Decision Scrutiny by the Care Services PDS Committee on:

Date: 26th June 2014

Decision Type: Non-Urgent Executive Key

Title: **FOSTER CARERS MAINTENANCE PAYMENTS**

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Chief Officer: Terry Parkin, Executive Director of Education, Care & Health Services

Ward: (All Wards);

1. Reason for report

This paper sets out the details of the proposed increase to the weekly maintenance element of the fostering allowances and options for consideration in relation to the professional fee element.

2. **RECOMMENDATION(S)**

2.1 **The Care Services Policy and Scrutiny committee is asked to:**

- i). **Recommended the Portfolio Holder approves the 2.3% increase to the weekly maintenance element of the fostering allowance in line with the recommendation of the Fostering Network**
- ii). **Consider and comment upon the various options for an increase to the weekly professional fee element of the fostering allowance**
- iii). **Recommend to the Portfolio Holder which option, if any, they would endorse.**

2.2 **The Portfolio Holder is asked to approve the**

- i). **2.3% increase of the weekly maintenance element of the fostering allowance; and**

- ii). preferred option for an increase to the weekly professional fee element of the fostering allowance.

Corporate Policy

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

1. Cost of proposal: Estimated Cost: An additional £35,730
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: 833120
 4. Total current budget for this head: £5,397,800
 5. Source of funding: Base budget
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Staff

1. Number of staff (current and additional): 20fte
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: None:
 2. Call-in: Applicable:
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Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 At the Care Services PDS on 19th June 2012, Members authorised that a revised payment structure for in house foster carers be considered by the Executive, indicating that they supported the proposal.
- 3.2 On 20th June 2012 The Executive approved the revised payment structure which was implemented from 1st August 2012.
- 3.3 Our revised payment structure for foster carers was made up of two elements; a weekly maintenance allowance aligned to the Fostering Network's recommended minimum amount, to cover the 'day to day' cost of caring for a child and a professional fee element (reward) of £200 per week per child. The professional fee is the sum paid for the work undertaken by the carer for providing care to the child and the other associated tasks required of a foster carer.
- 3.4 Members also agreed to an enhanced professional fee for children over the age of 13 and those with challenging or complex needs of £250 per week in recognition that we have insufficient numbers of in house carers for these children and carers willing to consider these types of placements are difficult to recruit and should be paid more
- 3.5 In giving its approval the Executive also endorsed that the revised scheme should be reviewed after three years to ensure that it remained fit for purpose.

3.6 Maintenance Element

- 3.7 Annually, the Fostering Network recommends a percentage uplift to its maintenance allowance that takes into account general cost of living increases. In 2013/14 it recommended an uplift of 2%, which was approved by the Portfolio Holder. This recommendation tends to be accepted by London boroughs to prevent small distinctions between neighbouring agencies.
- 3.8 The Fostering Network is recommending a 2.3% uplift for 2014/15 for the maintenance element of the weekly allowance.
- 3.9 The table below indicates the actual rise in monetary amounts

Age	Bromley 2013/2014	Fostering Network 2014/2015 ¹	Bromley 2014/2015 ²
0 – 4	161.00	164.71	164.71
5 – 10	183.54	187.77	187.74
11 – 12	228.55	233.83	233.80
13 – 15	228.55	233.83	233.80
16+	277.55	283.95	283.92

¹ 2.3% uplift for 2014/15

² Amount rounded to be divisible by 7 to give an equal daily rate

- 3.10 Members will be aware that in the current economic climate external providers, including independent fostering agencies and residential units have been asked to absorb any inflationary pressures and the majority have agreed not to pass these on to the local authority.
- 3.11 However, when considering whether to apply the same principle to our in house foster carer allowances, Members may want to consider that foster carers have not been exempted from the significant increases in day to day commodities such a fuel and food costs that all families have experienced over the past year. 2.3% applied to the 2103/14 maintenance allowances provides a modest increase ranging from just over £3 per week for 0-4 year olds to just over £6

for 16+ year olds. It will also ensure Bromley foster carers remain aligned to the national Fostering Network rates.

3.12 A 2.3% increase to the maintenance allowance will add an additional £36,800 to a projected spend of £1.6m. A 2.5% inflationary increase has been attached to the budget for 2014/15.

3.13 Professional Fee

3.14 The professional fee agreed by the Executive in June 2012 remains in force, namely £200 per child per week for young people under the age of 13 and £250 per child per week for those over 13 or those with complex needs.

3.15 No uplift was attached to the professional fee element in 2013/14

3.16 Members may consider that the professional fee agreed in 2012 should continue to be applied until the payment structure is reviewed in its entirety for the 2015/16 financial year.

3.17 Alternatively, Members may wish to consider whether an inflationary uplift should be applied to the professional fee in addition to the maintenance allowance element.

3.18 The possible options, should Members be minded to consider an uplift to the professional fee would be to:

- i. Give no uplift for a second year running.
- ii. Apply the same 2.3% as being recommended for the maintenance allowance. This would increase the weekly professional fee to £204.60 and £255.75 per week respectively and add an additional £36,800 to a projected spend of £1.6m.
- iii. Apply the 1.7% inflationary uplift that was applied to staff salaries for those earning less than £21k pa. This would increase the fee to £203.40 and £254.24 per week respectively. This would add an additional £27k to the projected £1.6m spend.
- iv. Apply a 1% increase which would increase the fee to £202 and £252.50 per week respectively and would add £16,000 to the £1.6m projected spend.

2.19 Similar to the maintenance element budget, the fee element budget has been credited with a 2.5% uplift for 2014/15 and therefore there are sufficient funds to cover the costs.

2.20 The recruitment of foster carers remains a significant challenge with Bromley competing with neighbouring Borough's and independent providers. A bench marking exercise was undertaken as part of the work for the revised allowance scheme in 2012 with neighbouring authorities and using some 'intelligence' gathered from IFA providers. Bromley's revised scheme fared well against our competitors, however we are aware that our neighbouring authorities have also reviewed their payment schemes since.

2.21 In addition, there has been a sharp increase in certain areas of the borough of aggressive recruitment by other local authorities and independent providers which have the potential to impact on Bromley's own recruitment efforts if the payment scheme is perceived by our carers as not keeping abreast with inflation.

4. FINANCIAL IMPLICATIONS

The possible financial implications are highlighted in the body of the report.

Non-Applicable Sections:	Policy implications Legal implications Personnel implications
Background Documents: (Access via Contact Officer)	Revised payment structure for foster carers – Part One paper for the Executive 20June 2012