

Southend-on-Sea City Council

**Report of the Executive Director, Children & Public
Health**

to

Cabinet

on

8th November 2022

Report prepared by: Lissa-Marie Minnis – Director of
Children’s Social Work, Early Help and Youth Support

Increased Allowances and Fee Uplift for In-house Carers

Relevant Scrutiny Committees: People and Policy & Resources

Cabinet Member: Cllr Laurie Burton

Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1. The report sets out how Southend-on-Sea City Council (SCC) will improve the offer to prospective and existing foster carers by recommending a new allowance and fee structure, providing additional benefits such as council tax relief and greater support and recognition for the valuable work foster carers do.
- 1.2. The new support offer for Southend on Sea foster carers will improve and grow our in-house fostering provision to better meet the needs of children and young people within Southend-on-Sea and reduce the use of more expensive independent fostering providers.
- 1.3. The case for change is set out in more detail in Appendix 1 to this report.

2. Recommendations

- 2.1 It is recommended that Cabinet approve:
 - 2.1.1 The new fee and allowance structure for Southend-on-Sea foster carers as per paragraph 3.9 of this report.
 - 2.1.2 The introduction of the additional allowances as per paragraph 3.11 of this report.
 - 2.1.3 That Southend-on-Sea approved foster carers who foster a Southend on Sea child for at least 26 weeks of the year receive Council Tax Relief up to Band D (if they live in Band E or above, they will get relief up to Band D) from 1st April 2023 as per paragraph 3.13 of this report.
 - 2.1.4 Funding for a new 1 FTE Fostering Panel Advisor as per paragraph 3.17 of this report.
 - 2.1.5 Mileage payments for costs associated with the child.

3. Background

- 3.1 As of 31st August 2022, there were 306 children in Southend-on-Sea in our care. This is a rate of 77 per 10,000 children. This is an increase from 2021 and higher than England (67 per 10,000), the East of England (49 per 10,000) and our statistical neighbours (71 per 10,000). The new proposal for foster carers will sit within the wider work of reducing the overall numbers of children coming into care.
- 3.2 SCC has a corporate responsibility for children looked after, which includes the statutory duty to ensure that there is sufficient accommodation that meets their needs within the local area.¹ This is best achieved by having a commensurate number of in-house fostering households within Southend-on-Sea.
- 3.3 Currently, there are limited options when children come into the Council's care as the Council does not have a sufficient number of in-house fostering households. Over the last year, the number of children in our care has risen, while at the same time the number of in-house foster carers has reduced. New foster carers are joining SCC, but this is outweighed by the numbers who leave.
- 3.4 This loss of in-house foster carers is having a direct impact and means that the Council is placing more children with Independent Fostering Agencies (IFAs). The proportion of Southend on Sea children in foster care placed with IFA has risen from 29% as of 31 March 2020 of all children in foster care, to 40% as of 31 August 2022 of all children in foster care.
- 3.5 In-house foster care is our preferred option because it enables children to remain close to their community and connections. The recent Ofsted Focus Visit in March 2022, noted that "too many children live a long way from Southend and, for some, this has a significant impact on the support and services provided to them." There is no evidence to suggest that IFA foster carers provide less quality care than in-house foster carers, but they are less likely to be local.
- 3.6 The increased use of IFA placements is having a significant pressure on budgets. Expenditure budget for all external placements (IFA, Residential and Secure) is £7.7m. This budget is under considerable strain, and, as of the end of July 2022/23 (Period 4) forecast, is anticipating a £5.6m overspend for the 2022/23 financial year. A primary cause for this pressure is the increased use of IFA placements, compounded with increases in average weekly fees for Residential Care Placements.
- 3.7 Southend on Sea needs to overhaul the current fostering fees, allowances and support in order to attract, train and retain a diversity of in-house foster carers who can support the diverse cultural needs of the children in our care, support young people of all ages and have the right skills to meet the varying and complex needs of children. To achieve this, the following is proposed for all existing and any new in house foster carers recruited to the service:-

¹ The Sufficiency Duty: Section 22G of the Children Act 1989

- A new fees and allowance structure.
- Council tax relief up to band D.
- Additional allowances for religious or cultural festivals, and increased allowance per year for a child's birthday, an additional two week allowance per child to contribute to the cost of a holiday and a one off £200 to each child at age 16 to go towards prom attendance.
- Mileage payments.
- A Fostering Panel Adviser post is established to ensure that potential new foster carers are assessed and approved as quickly as possible.

3.8 Foster carers receive two types of financial support: allowances and a fee. The allowances are to help cover the costs of caring for the child they foster, and a fee is provided to the foster carer to reflect the work they do to support children in our care.

3.9 The current fee and allowance structure in Southend on Sea is not consistent, does not support foster carers who care for children with more complex needs and is not competitive. The proposed new fee and allowance structure for Southend-on-Sea foster carers to be applied from Monday 3rd April 2023 consists of:

3.9.1 Increase the weekly allowances for all carers by 10% to:

Age of Child	£ per week Proposed
0-4	173.26
5-10	195.48
11-15	241.20
16-18	291.47

3.9.2 Introduce a simplified fees structure with three categories which are paid per week, per child. Existing foster carers will be mapped to these new rates:

- Foster Carer – £200
- Advanced Foster Carer - £300
- Specialist Foster Carer- £400

3.9.3 Create a new foster carer category that will support children who are either stepping down from or prevented from moving into residential care. It is proposed that foster carers in this category will receive a high fee of £850 per week while they intensely work with the children and young people to recover from their trauma. This will be a pilot project with a maximum two carers per year.

3.10 The proposed new fee and allowance structure for a Southend-on-Sea foster carer will make the offer for foster carers more transparent, payment simpler and ensure equity of offer. This offer is more appealing and will make the Council more competitive with other organisations providing a fostering service and will help attract new carers to join Southend on Sea foster carers. Please see section 6.1 and 6.2 in Appendix 1 for further information on the new allowances and fees.

- 3.11 It is also proposed that as part of this new offer the following additional allowances are introduced:
- £100 per child per year for religious or cultural festival– festivals such as Eid, Diwali, Christmas etc.
 - £200 per child per year for their birthday.
 - Two week’s additional allowance per child, per year to contribute to the cost of going on holiday as a family
 - One off £200 to each child at age 16 to go towards prom attendance.
- 3.12 The introduction of an allowance for foster children’s holiday, birthday and festival allowances were identified by current SCC foster carers as important so adding this to our offer should increase the retention of existing foster carers as well as help with the recruitment of new foster carers. It also aligns SCC with the support offer that other local authorities provide for their foster carers. Section 6.1 in appendix 1 has more information of the additional allowances.
- 3.13 Introducing council tax relief for SCC approved foster carers who foster a Southend on Sea child for at least 26 weeks of the year up to Band D (if they live in Band E or above, they will get relief up to Band D), and equivalent support for SCC foster carers who live outside the SCC boundaries from 1st April 2023.
- 3.14 The council tax relief helps to clearly demonstrate the value and contribution foster carers provide for Southend on Sea, as well as supporting them financially. When a young person comes into our care, all elected members, employees and partners at SCC become their corporate parent, a collective responsibility for ensuring the best possible care and safeguarding for children who are looked after by us.
- 3.15 Our foster carers welcome our children into their homes and family, provide the direct care 24/7 giving them a stable, warm and loving home that many of these children have been without. While there are many very valuable people across Southend-on-Sea who give up their time to help other people, foster carers do not give up a few hours a week – they open up their home, their family, their whole lives to giving these vulnerable young people the best start in life.
- 3.16 Furthermore, the council tax relief will be the Council’s unique selling point as it will differentiate the Council from the market. Council tax exemption is something that is uniquely within the Council’s gift as a unitary council that will be a great benefit for foster carers offering this vital support. Offering this additional benefit to provide the best care for our children, clearly demonstrates the extraordinary value and contribution they provide for Southend-on-Sea. There will be eligibility requirements to ensure this relief supports the recruitment and retention of our foster carers and reduce the chance of abuse of this benefit. Please see section 6.3 in appendix 1 for more information on the council tax relief.

- 3.17 The creation of a permanent 1 FTE grade 10 Fostering Panel Advisor to be the professional advisor to the fostering panel² will ensure the panel is compliant with all legislation and best practice when making recommendations regarding the approval, review and termination of foster cares. The panel advisor must be an experienced social worker with relevant experience. Many other local authorities have the role of advisor and it is considered an important function on the improvement journey for the Council's Children's Social Work, Early Help and Youth Support Service. The role will also be responsible for implementing key elements of the new offer, subject to Cabinet's approval, including improved training and development for foster carers. Please see section 6.4 in appendix 1 for more information on the Fostering Panel Advisor
- 3.18 Mileage payments for costs associated with the child will support carers with increase costs of transportation and bring the Council more in line with other providers. Please see section 6.5 in appendix 1 for more details on the mileage payments.

4. Other Options

- 4.1 Do nothing – maintain the current fees and allowance structure. If there is no change to the current offer the Council will continue to lose more foster carers and recruitment will continue to be challenging resulting in further use of the private, voluntary and independent market. This will mean that the Council will be failing to meet its statutory sufficiency duty that requires local authorities to take steps to secure, so far as reasonably practicable, sufficient accommodation within the authority's area to meet the needs of children that are in our care.
- 4.2 Only increase allowances but remove fees – still increase allowances by the recommended amount to support with the increased cost of living but remove any fees. The Council is only required to pay foster carers minimum allowances to cover the costs of caring for the child they foster, not fees, which are provided to the foster carer to reflect the work they do to support children in our care. This would likely result in a loss of a significant portion of our in-house foster carers and make the Council even less competitive than other foster care providers including IFA and neighbouring local authorities. This will make it very difficult to attract new foster carers to the Council.

5. Reasons for recommendation

- 5.1 The recommendations will make the offer to foster carers more appealing and more competitive. This will help attract new carers to join SCC and reduce the current reliance on the external IFA market, whilst also reducing expenditure pressure on external placements. More importantly, it will ensure foster carers have the support they need to achieve the best outcomes for children in our care.
- 5.2 Demand for foster carers significantly outstrips the current supply so the Council needs to ensure that it has a robust offer to attract and retain sufficient local foster carers. All local authorities find it a significant challenge to recruit and retain foster carers but other neighbouring local authorities currently perform better than SCC

² The specific function of the fostering panel is detailed in [The Fostering Services \(England\) Regulations 2011 \(legislation.gov.uk\)](https://www.legislation.gov.uk) Regulation 25

in recruiting and retaining local carers. Furthermore, it is not only local authorities who recruit foster carers but the private, voluntary and independent market of IFA, further increasing competition for this scarce resource. This new offer will make the Council more competitive in a challenging market.

- 5.3 The new offer was shaped by what current in-house foster carers told us is important to them, helping to ensure this offer will not only attract new foster carers, but retain our current foster carers.
- 5.4 The recent Ofsted focused visit in March 2022 highlighted that we are placing too many children in our care, too far away, outside of the city. IFA carers are more likely to live outside the City: only 19% of IFA placements were within the city of Southend on Sea as of end of August 2022, compared to 65% of in-house carers, so using IFA is often contrary to our Sufficiency Duty. To meet the sufficiency duty the Council needs to increase its in-house foster carers and ensure that more children are placed as close to their existing connections and community as possible.
- 5.5 Increasing the number of in-house foster carers is not only important because they are local, but they are also more affordable. The proposed new offer for in-house foster carers will have average cost of £26,000 per child per year. The current average cost of an IFA is £50,000 per annum and the current cost of an average residential placement is £220,000 per annum (excluding the extremely high cost complex packages) and supported accommodation is £42,000 per annum.
- 5.6 While the number of children in our care with disabilities has remained consistent for the last five years, there has been a reduction in the numbers of children with disabilities who are looked after by an in-house foster care, resulting in an increase in the use of private provision including IFA, supported accommodation, children's homes and residential schools. This highlights the need for more in-house foster carers who have the skills to look after children with complex needs.
- 5.7 Based on current numbers it is anticipated that if agreed this new offer will increase the number of in-house foster carers, from an August 2022 baseline, by 69 additional foster carers by September 2025.
- 5.8 Due to the decreased use of IFA, residential and supported accommodation placements as a result of this proposal the new offer is projected, based on current numbers of children in our care to achieve a total net current cost pressure saving of
- £0.924M in 2024/25
 - £1.807M in 2025/26
- 5.9 Please see Appendix 1 Case for Change: Southend on Sea In-House Fostering for further details on the reason for the recommendations.

6. Corporate Implications

- 6.1 Contribution to the Southend 2050 Road Map

If approved this new offer for Southend on Sea foster carers will contribute to delivering Southend 2050, specifically:

Safe and Well

- residents feel safe and secure in their homes, neighbourhoods and across the city
- everyone has a good quality, sustainable home that meets their needs
- we protect and improve the quality of life for everyone in our community, including the vulnerable

Opportunity and prosperity

- Our children are school-ready and young people are ready for further education, employment, or training

In addition, this will contribute to the Future Ways of Working, specifically helping SCC to:

- sustain and increase the pace of change
- develop a new way of operating that delivers improved outcomes for our residents and communities at the best value, including social value

6.2 Financial Implications

The full cost benefit analysis of the new offer has been presented in Section 7 of Appendix 1.

To therefore summarize, the cost of transitioning all existing in-house foster carers (as at the end of August 2022) and children supported in their care to the new offer including the proposed Council tax exemption will cost £0.680M per annum (p/a) (£155,000 p/a inclusive within for the Council tax exemption offer up to Band D). There is also a further cost of £68,000 p/a (incl oncosts) for the new Lv 10 Fostering Panel Advisor Post to promote, support and drive the offer. The total cost of the new offer is therefore £0.748M p/a from the 3rd April 2023.

As displayed in Appendix 1, the cost of the offer is presented and targeted as an Invest to Save offer as it is targeted to crucially reduce reliance on Independent Foster Agency placements, Residential Care placements and Supported Accommodation/ Semi independent placements (for children aged 16-18). It also displays the much wider benefits of enabling children to remain closer to Southend networks and communities.

Whilst the new offer does present a small net cost of £34,000 in 2023/24, on the basis, the reduction in external care placements is achieved the offer (as displayed in Appendix 1) is targeted to achieve total net current cost pressure savings in 2024/25 of (£0.924M) and (£1.807M) in 2025/26 (including the £0.924M carried forward from 2024/25). This, of course, does carry risk if the reduction in external placements are not achieved, it is therefore crucial the new foster care offer is driven and this is a key initiative to the wider improvement offer for Children Services.

Given the significant costs pressures within Children Services in 2022/23 – due to the use of external care placements and in particular the rising costs of residential care placement, as reported through the Period 4 Resource Better Outcome including a current £5.6M overspend cost pressure on placements, the cost of doing nothing could equally be far higher and add further cost pressure. The new proposed fee rates and allowances are considered fair, transparent and competitive.

The cost of the new offer, offset by targeted savings within Children Services and the small net total cost of £34,000 in 2023/24 will fall to Children Services to fund (and be empathized as part of the wider considerations for the Council's Budget development for 2023/24), whilst net cost pressure savings in 2024/25 and 2025/26 will be targeted to help reduce existing cost pressures within Children's Services.

6.3 Legal Implications

The Fostering Services (England) Regulations 2011 set out the legislative requirements for the approval and subsequent support of foster carers. Section 49 Children Act 2004 allows for the Secretary of State to make regulations as to the minimum amount of payments to Foster Carers. The Government publishes yearly minimum weekly allowances³ that every foster carers must receive. SCC current and proposed allowances are above the national minimum. Local Authorities have discretion to pay foster carers more than these minimum allowance which many do, including our closest Local Authority neighbours.

The 'Sufficiency Duty' is from Section 22G of the Children Act 1989. The duty requires local authorities to take steps to secure, so far as reasonably practicable, sufficient accommodation within the authority's area which meets the needs of children that the local authority are looking after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the local authority's area.

6.4 People Implications None

6.5 Property Implications None

6.6 Consultation Southend on Sea Foster Carers and the SCC Fostering Team were both consulted in spring 2022. Please see appendix 1 for details.

6.7 Equalities and Diversity Implications EA Completed

6.8 Risk Assessment

³ [Help and support for foster parents: Help with the cost of fostering - GOV.UK \(www.gov.uk\)](https://www.gov.uk/help-and-support-for-foster-parents/help-with-the-cost-of-fostering)

	Risk	Mitigation
1.	The improved offer of support for foster will cost more to SCC but does not guarantee increased number of in-house foster carers to meet demand	Although it does not guarantee the increased number of foster carers, the offer improves our position with other providers, significantly improving our chances of increased recruitment and retention. Furthermore, if we do not change we will definitely see further net loss of foster carers, increasing our reliance of the IFA market and related location and budget issues.
2.	If the numbers of children in care continue to increase, it does not matter what we do to improve our offer for foster carers, we will not be able to meet the demand for placements.	The new proposal for foster carers will sit within the wider work of reducing the overall numbers of children coming into care. However, even if numbers of children in our care do continue to increase, an increased number of in-house foster carers will still reduce the requirement to use IFA carers.
3.	Some carers will receive less fee payments with the introduction of the new fee structure resulting in them leaving.	The vast majority of carers will see an improvement in the fee they receive and the new offer increases fairness and transparency but there are 20 foster carers who may receive less: three project carers and 17 fee paid carers. However, if the carers agree to look after more than one child and/or support a child with more complex needs they will get paid more. To aid this transition we are guaranteeing their current fees for up to three months (April-June 2023). We will also work on a case by case basis with every carer affected to ensure the stability of care for our children
4	If the foster care team is not prepared for the changes, even with the additional financial support, foster carers will still feel unsupported so still may leave.	The proposed new fostering panel advisor and team management will ensure the team is prepared and supported to implement the changes should Cabinet approve
5	If potential new foster carers do not know about the new offer we will not see any increase in new foster carers	There is a clear marketing strategy and plan in place, led by a dedicated marketing manager with extensive experience in this area. There has already been increased interest with new marketing strategy but face challenges after people enquire due to lack of unique selling point, the new offer will provide the needed unique selling point to attract more foster carers.
6.	The new offer drives up enquiries from people wanting to foster with Southend on Sea but we don't have the staff resource to complete initial visit and assessment of carers (initial part of the recruitment	Improved performance monitoring and support for this team should mitigate this but if demand is so great that the team cannot manage, we will bring in independent assessors to ensure foster carers are approved in a timely way

	process) in a timely way, resulting in delays and some prospective foster carers losing interest.	
7.	Financial modelling was based on the current cohort of foster carer which are: 74% would be on new 'foster care' rate, 20% of the 'advanced' rate and 6% of the 'specialist foster carer' rate, if more foster carers are put on the advanced and specialist rate then we will not have costed the correct amount resulting in a further overspend and pressure on budgets	The modelling was based on current foster carers so it would be unexpected for there to be a sudden change in the need of the children to require different foster care support. There will be a clear framework about the different categories for how it will be assessed and monitored to ensure foster carers understand the categories and clear how the decision was made by professionals to ensure we are transparent and less risk of challenge to the level of care being provided.
8.	If new people apply to be foster carers for the council tax relief but don't foster we will be financially worse off with no benefit of keeping children local and in a family setting	This will not be able to happen because to receive the council tax exception foster carers must meet relevant criteria including providing foster care to a Southend on Sea child for a total of 26 weeks (182 days) in the previous 12 months from 1 April to 31 March, maintain their approval (as per, regulation 27 of the Fostering Services (England) Regulation 2011) and claim exemption only on the one property in which they live.

6.9 Value for Money

This new offer presents good value for money. The new offer should attract more in-house foster carers who are more likely to be local so more children in our care can remain in, or close to Southend on Sea, their existing community and wider networks, including school, wider family and friends. Whilst 2023/24 presents a small net total cost of £34,000, it is targeting total net savings of (£0.924M) to be achieved in 2024/25 and total net savings of (£1.807M) in 2025/26 (including the (£0.924M) in 2024/25 continuing). The targeted additional costs and savings on success of the new offer by both a growth in the in-house care placements and a reduction in external care placements.

6.10 Community Safety Implications

None

6.11 Environmental Impact

None

7. Background Papers

- Ofsted, May 2022, Southend on Sea Borough Council Children's services focused visit [50182671 \(ofsted.gov.uk\)](https://www.ofsted.gov.uk/inspections/50182671)

8. Appendices

Appendix 1: Case for Change: Southend on Sea In-House Fostering