

Case for Change: Southend on Sea In-House Fostering

1. Purpose

The purpose of this paper is to propose an improved offer for our Southend on Sea in-house foster carers to increase recruitment and retention so we can reverse the trend of reliance on external independent fostering agencies (IFA) and increase the number of children in our care living with a foster family, local to Southend on Sea.

2. Background

2.1 Southend on Sea Current Offer to In-House Foster Carers

In general, 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.

2.1.1 Allowances for children

Southend on Sea City Council (SCC) Foster carers receive an allowance for each child they foster in Southend-on-Sea, this is closely linked, but slightly higher, than the National Minimum Allowances¹ set by the Department for Education.

Table 1: Southend on Sea Weekly Fostering Allowances 2022-23

Age of Child	Weekly Allowance Rate
0-4	£157.51
5-10	£177.71
11-15	£219.27
16-17	£264.97

Allowances are paid per child, per week. Southend on Sea do not provide additional money to help with cost of caring or the child except for a one off payment of £100 made to each child aged 16+ to go towards their prom attendance. Mileage can also be claimed in some circumstances but the policy on this is not clear.

¹ <https://www.gov.uk/support-for-foster-parents/help-with-the-cost-of-fostering>

2.1.2 Fee payments to foster carers

Where a foster carer is approved to care for only one child they receive the ‘single placement’ fee at £173.07 weekly. Where a foster carer is approved to care for more than one child, they receive the ‘fee paid carer’ fee at £345.93 weekly and this payment remains the same irrespective of how many children are in the foster home. There is also a voluntary foster carer who receives no fee, just allowances. There are very few carers who are voluntary carers, currently only two carers are voluntary and there have been no new voluntary carers who are still offering foster care in the last 13 years. A ‘Project Fee Carer’ is a rate which applies to very few foster carers. It reflects a specific role or service delivered but this is not clearly defined. This payment rate is being phased out.

Table 2 Weekly Fostering Fees 2022-23

Type of Foster Carer	Carer Fees (Weekly)
Single Placement Carer	£173.07
Fee Paid Carer	£345.93
Project Fee Carer	£558.21
Voluntary Foster Carer	£0

3. The Need for Change

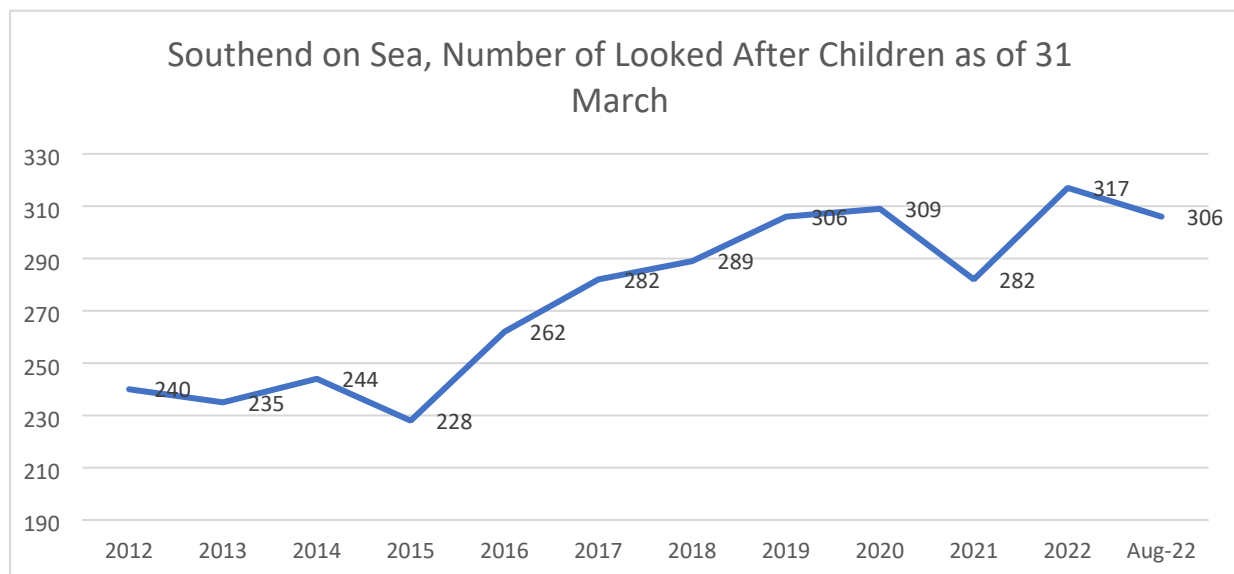
Recruiting and retaining a diversity of foster carers is key to delivering an effective fostering service. However, we are currently struggling to achieve this due to a number of reasons.

3.1 Children in our care

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. This is a decrease from 31st March 2022 but higher than England, the East of England and our statistical neighbours. The national average rate is 67 per 10,000.

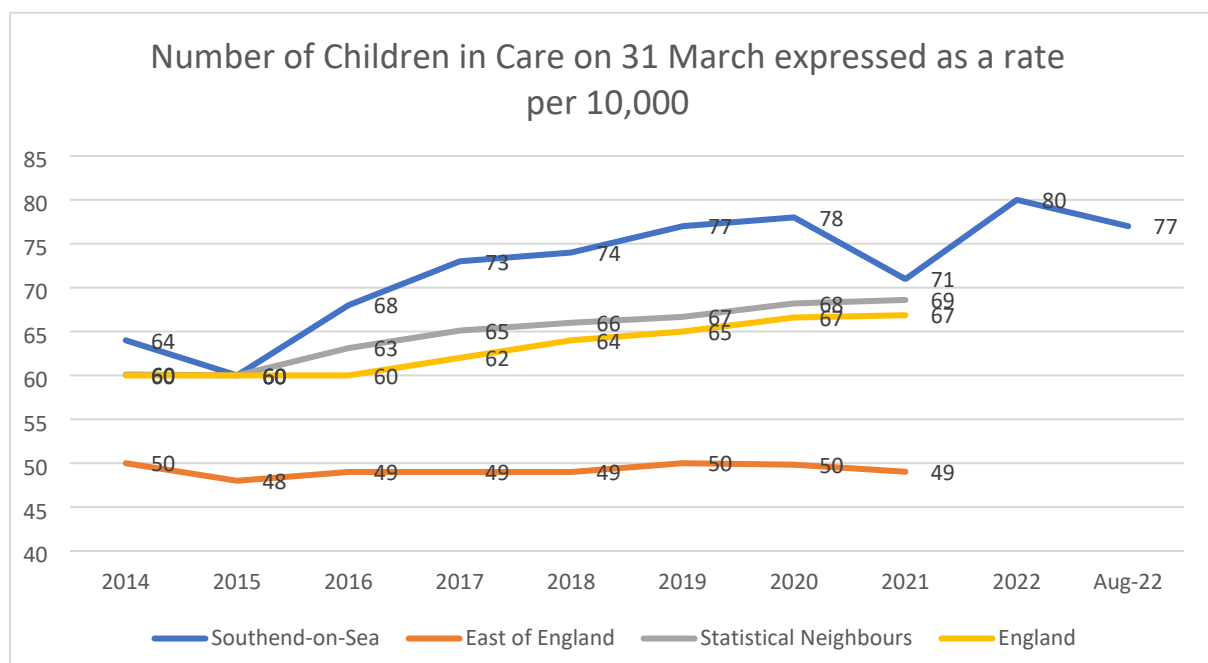
Appendix 1: Case for Change: Southend on Sea In-House Fostering

Figure 1 Number of Children in Care as at 31 March



Source: LAIT & SCC LAC As at

Figure 2 Children looked after rate per 10,000 Southend on Sea and Comparators



Source: LAIT & SCC LAC As at

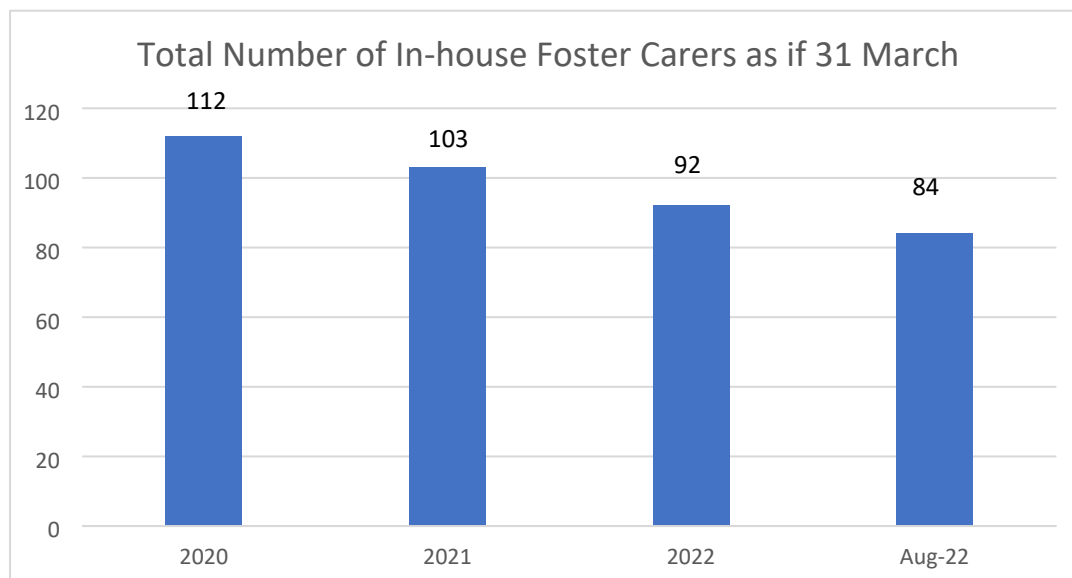
The new foster policy will sit within the wider work of reducing the overall numbers of children coming into care, especially children over the age of 10.

3.2 Southend on Sea Foster Carers

Recruiting and retaining foster carers is key to delivering a financially efficient fostering service but there has been a general decline in the number of in-house foster carers over the last three years:

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

Figure 3 Number of in-house foster carers



Source: SCC In-house Carers As at

This has led to less children being looked after by an SCC in-house foster carer and more children in our care being placed with Independent Fostering Agencies (IFA).

Table 3 Number of children in our care by type of Foster Care Placement and as a percentage of all children in our care as of 31 March

	2019		2020		2021		2022		August 2022	
	No	% all CLA	No	% all CLA	No	% all CLA	No	% all CLA	No	% all CLA
In-house	193	62%	162	53%	128	46%	129	40%	129	42%
IFA	31	10%	64	21%	69	25%	89	28%	87	28%

Source: SCC LAC As At Report

While new foster carers are joining SCC, this is outweighed by the numbers who have left. In the past three financial years, there has been a net loss of in-house foster carers:

Table 4: Net gain/loss SCC in-house foster carers

	2019/20	2020/21	2021/22
Starters	29	23	11
Leavers	-29	-37	-19
Net loss/gain in-house foster carers	0	-14	-8

Source: SCC Report Foster Carers De Registered in in period 1st April to 31st March and Foster Carers Approved in Period 1st April to 31st March

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

The primary reason for foster carers, who are not connected/kinship carers, leaving is due to foster carers resigning (Table 5). It is perhaps not surprising that 2020/21, the first year of the Coronavirus pandemic, saw the biggest net loss of in-house foster carers and that is was mostly due to carers resigning, rather than retiring or other reason.

Table 5 Reason for leaving foster care in-house carers not including connected/kinship

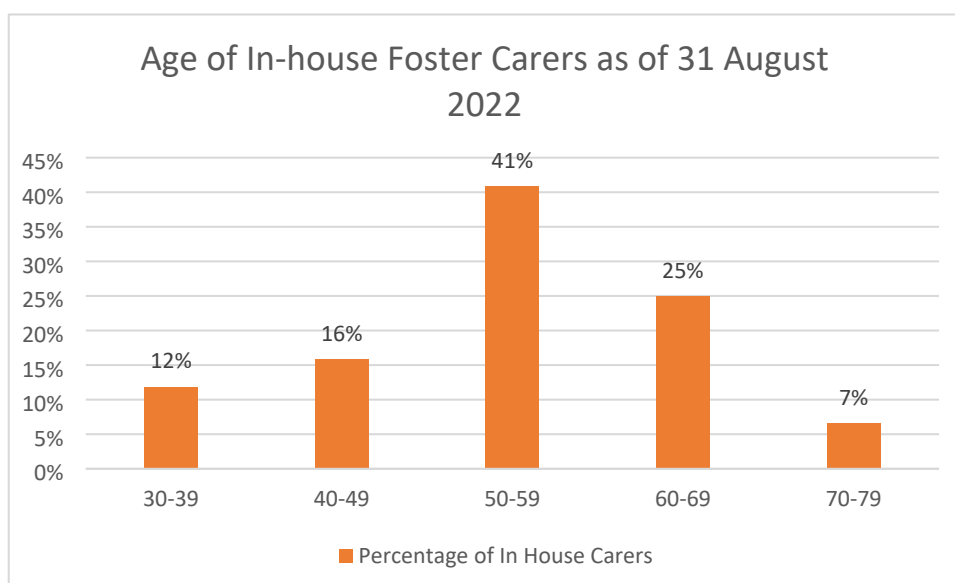
	2019/20	2020/21	2021/22
Agency decision	0.00%	6.25%	0.00%
Foster carer adopted child	7.14%	0.00%	0.00%
Foster carer resigned	71.43%	87.50%	57.14%
Foster carer retired	14.29%	0.00%	14.29%
Local authority decision	7.14%	6.25%	14.29%
Other reason	0.00%	0.00%	14.29%

Source: SCC Report Foster Carers De Registered in period 1st April to 31st March and Foster Carers Approved in Period 1st April to 31st March

Furthermore, almost a third of our current foster carers are over the age of 60 so may be considering retiring within the next few years (

Figure 4).

Figure 4 Age of SCC In-house Carers

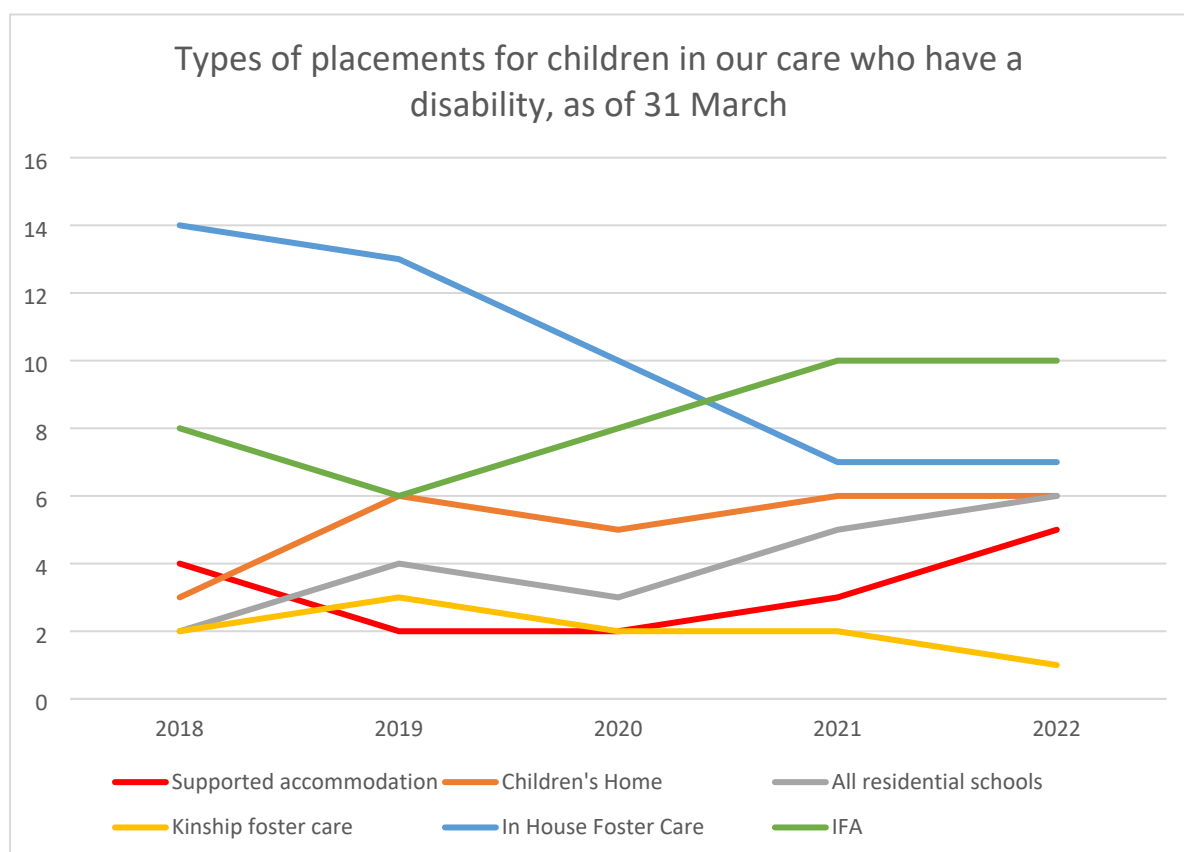


Source: SCC Report In-house Foster Carers

3.3 Children with disabilities in our care

While the number of children in our care with disabilities has remained consistent for the last five years (37 children as of 31st March 2018 and 36 as of 31st March 2022), 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 that we need more in-house foster carers who have the skills to look after children with complex needs.

Figure 5: Placement type of children in our care who have a disability as of 31 March



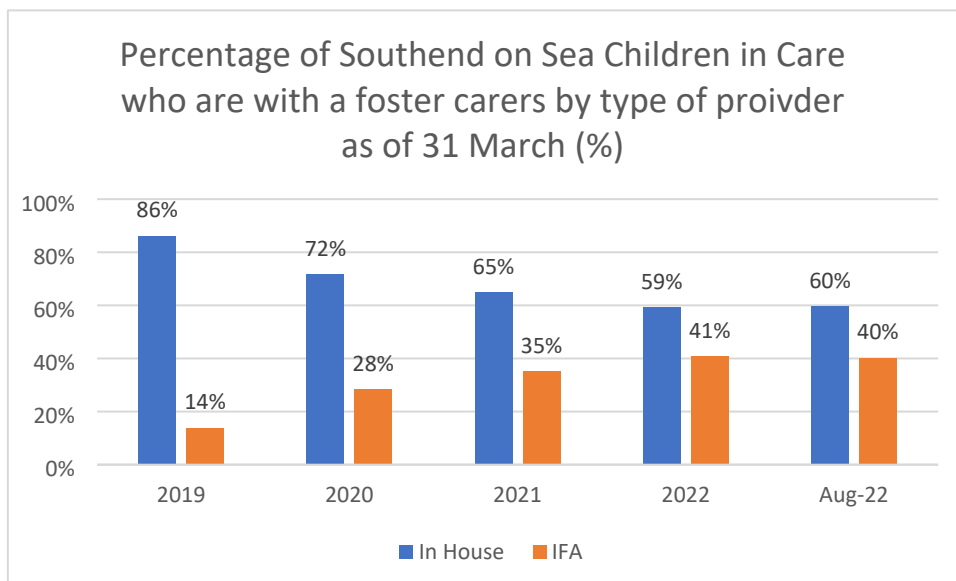
Source: SCC LAC As At Report

3.4 Independent Fostering Agencies

The increase numbers of children in our care, compounded with the overall decrease in our own foster carers has resulted in an increased reliance on the use of IFAs to help find the children in our care a home. 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 (Figure 6). Even in 2020/21 when there was an overall reduction in the number of children in our care from 309 to 282 (a 9% reduction), there was an increase in the use of IFA.

Figure 6 Percentage of children in foster care by placement provider

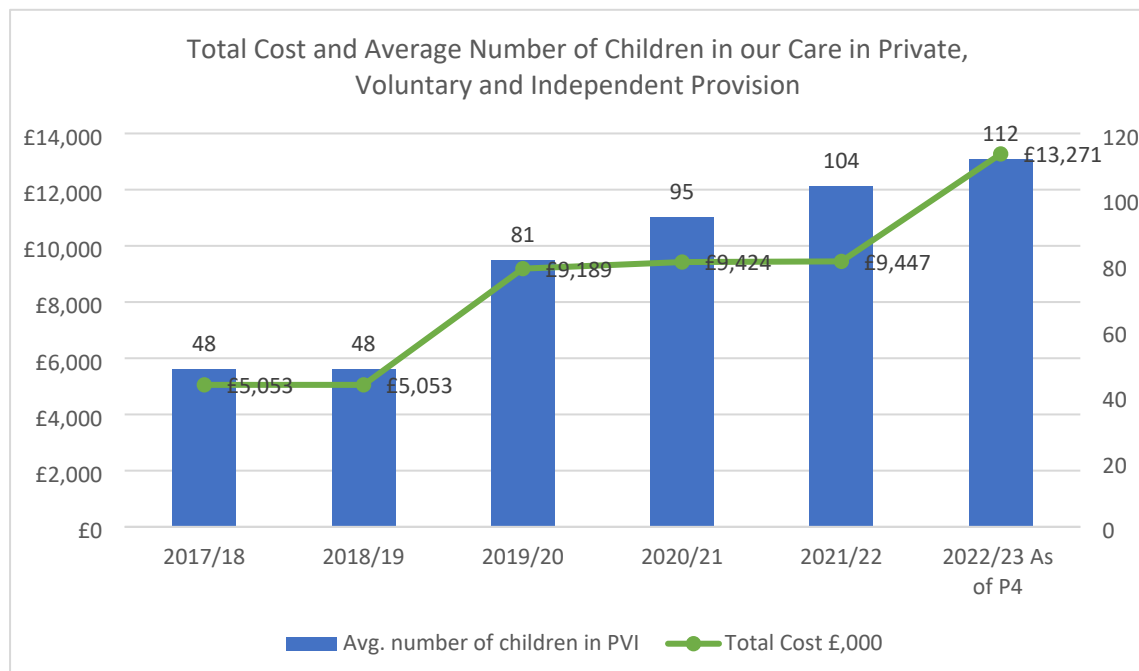
Appendix 1: Case for Change: Southend on Sea In-House Fostering



Source: SCC LAC As At Report

While there will likely always be a need for IFAs, the increase reliance Southend-on-Sea has had on IFA carers is resulting in a substantial financial pressure. SCC has traditionally held one budget for any external placements delivered by private, voluntary and Independent (PVI) providers, including all residential, IFA and secured placements. The expenditure budget for all external placements is £7.7m. This budget is under considerable strain, currently (as of P4 2022/23) anticipating a £5.6m overspend for 2022/23 financial year.

Figure 7 Total cost and average number of children in our care in PVI provision



Source: SCC Finance

As of P4 2022/23, the total costs of PVI providers have gone up by 163% since 2017/18, or 44% since 2019/20. The primary cause of this financial pressure is due to the increase use of IFA placements. There has been a 77% increase in the average number of children under 16 looked after by an IFA foster carers since 2019/20 to P4 2023/23.

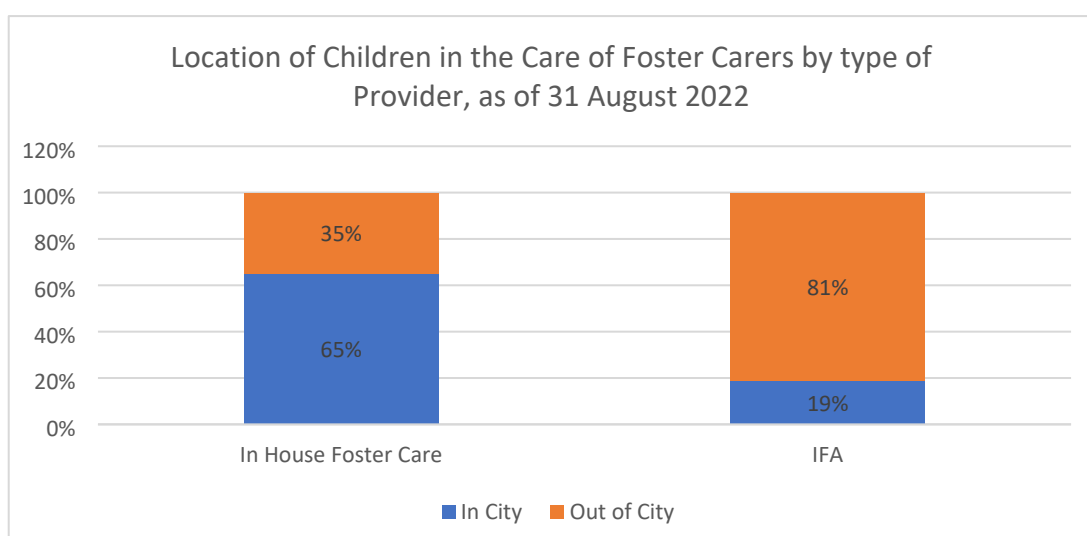
The financial pressure is further compounded by an increase in the average costs per week for both IFA placement and residential provision. While the number of children in residential provision has remained fairly consistent since 2019/20, the average cost per week has gone up by 33% for under 16s and 66% for over 16s. Although not as significant an increase as residential provision, IFA placements for under 16 have also gone up by 10% per week.

3.5 Close to Southend on Sea

The recent Ofsted focused visit in March 2022 highlighted that we are placing too many children in our care, too far away, outside the city. This is contrary to our Sufficiency Duty² which 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.

IFA carers are more likely to live outside the City (Figure 8) so using them is often contrary to our sufficiency duty. We need to increase our in-house foster carers to meet our sufficiency duty and ensure that children are placed as close to their existing connections and community as possible.

Figure 8: Foster Care placements in and out of the city of Southend



Source: SCC LAC As At Report

² Section 22G of the Children Act 1989

4. Comparators

Demand for foster carers significantly outstrips supply so we need to ensure we have 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. 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.

It is a challenge to directly compare fostering offers due to the differences in approach depending on the agency and offer, but the following highlights some national and local neighbours and where possible highlight direct comparisons with Southend on Sea's financial support offer for foster carers.

4.1 National benchmarking

According to the Fostering Network State of the Nation (2021),³ that looked at all English local authorities fee payments to their foster carers, our single placement carer and a fee paid carer who looks after two children are currently paid around the mid point for the region. However, a fee paid carer who looks after one child will be some of the best paid carers in the region but if they look after three children they would be one of the worst paid carers.

4.2 Local comparators

Essex County Council in-house Fostering

Essex County Council offer is more complex but clear, with a greater difference in fees for different carers. Overall, they tend to pay more both in terms of allowances and fees.⁴

Table 6 Essex County Council Foster Care Allowances 2022-23

Age of child	Weekly Allowance	Higher or lower than Southend Allowances?
0-4	£165.55	5% higher
5-10	£188.65	6% higher
11-15	£234.71	7% higher
16+	£249.76	6% lower

Essex County Council Fees and Allowances Document states that allowance increase in line with inflation, so it is likely there will be increases to these allowances from April 2023.

³ [State of the Nation's Foster Care 2021 | The Fostering Network](#)

⁴ [What you can earn \(essexadoptionandfostering.co.uk\)](#)

Additional allowances include:

- One week's additional allowance per child is paid at Christmas
- One week's additional allowance per child is paid before their birthday.
- Two week's additional allowance per child is paid in July to contribute to the cost of looking after a child during the six weeks summer holiday.

They also have additional benefits such as paid holiday and expenses for travel related to the fostering role.

The fee offer from Essex County Council is more complex (but clearly communicated) than SCC, in summary:

For short-term and permanent fostering of a child, foster carers can earn:

- £200 per week for a child aged 0-10 years
- £250 per week for a child aged 0-10 with complex needs, such as medical or mental health issues or behavioural difficulties
- £250 per week for a child aged 11-18 years
- £350 per week for a child of any age who:
 - can't be placed with other children
 - has had multiple unsuccessful placements
 - requires their foster carer to be available during school hours
 - is leaving residential care
 - has a diagnosed disability but is not allocated within our Children with Disabilities team.

For short-term or permanent fostering of a disabled child, foster carers can earn:

- £500 per week for a child of any age with diagnosed disabilities and is receiving support from the Children with Disabilities Team
- £1,000 per week for a child of any age with diagnosed disabilities and who requires a high level of two-parent care or through-the-night care.

Thurrock Council In-house Fostering

Thurrock Council offer⁵ foster carers two payments: maintenance payment (allowances) to cover the cost of caring for the child or young person and reward payment (fee) for the foster carers as a feed paid for their work.

They have three levels of fostering:

- Care Skills
- Care Skills+
- High Needs

⁵ [Payments and allowances | Foster carer payments and support | Thurrock Council](#)

To be paid the Care Skills+ rate, carers must regularly provide emergency placements, which includes urgent placements of Unaccompanied Asylum Seeking Children and be able to meet and manage more complex needs including:

- significantly challenging and risk taking behaviours
- complex educational needs and need for tailored education programmes
- significant attachment issues or substance misuse
- offending behaviour or sexualised behaviour
- current child criminal exploitation, gangs and experiences of being trafficked
- diagnosed mental health difficulties

The High Needs rate is paid in exceptional circumstances to support carers who look after the highest need children and young people. For example, a child or young person who:

- receives support from their local Children with Disabilities service due to their own disability, rather than a sibling's disability
- cannot access education, or their education provision is less than half of full-time
- is placed from residential care or secure care, and is settling in to placement (paid for up to 6 months)
- requires a remand bed
- has multiple or profound difficulties with complex medical needs and a high number of medical appointments
- presents a sexual risk to other children and therefore needs constant supervision

The allowances and fees are as follows:

Child's age	Allowances £ per week	Higher or lower than Southend Allowances	Weekly Fee £ per week
0 to 4	147	-5% lower	200
5 to 10	168	-5% lower	200
11 to 15	210	-4% lower	200
16+	252	-5% lower	200
Care Skills +			
0 to 4	147	-5% lower	250
5 to 10	168	-5% lower	250
11 to 15	210	-4% lower	250
16+	252	-5% lower	250

High Needs			
0 to 4	197	25% higher	300
5 to 10	218	23% higher	300
11 to 15	260	19% higher	300
16+	302	14% higher	300

In addition, all foster carers who live in Thurrock are exempt from paying council tax and any foster carer who lives outside Thurrock are provided with quarterly payment to cover the cost of their council tax.

To be eligible for council tax relief, foster carers must have provided foster care to a child for a total of 26 weeks (182 days) in the previous 12 months from 1 April to 31 March – this need not be 182 consecutive days or for the same child and may include 'staying put' arrangements where the arrangement meant they were not able to accept other placements.

There are additional grants and allowances to help with furniture, bedding, other basic requirements and special times of the year, such as birthdays, but there are no details about the specifics around these.

Overall, the Thurrock offer is clearer than our offer with somewhat similar fees and allowance but they have the additional allowances to help with furniture and for birthdays and the council tax exemption, which is a significant benefit.

4.3 Independent Fostering Agencies Comparison

Not all IFAs publish the level of financial support that they offer directly to foster carers (what we pay them, is not what the foster carer receives as it includes management cost etc.). Those that do typically combine the allowances and fees when marketing their services to prospective foster carers. The variance across the sector is wide and figures below need to be taken as indicative figures.

The 13 agencies who published the financial support they offer foster carers for placement type is below. Payment is per week, per child:

- 'Standard' payment = £370-500
- 'Therapeutic' payment = £500-£600
- Additional Needs = £650
- Parent and Child = £700-£1,000

5. What Southend on Sea Foster carers say

An anonymous survey was completed by 44 foster care households in Southend-on-Sea.

When asked what fee foster carers received per child per week there were 23 different figures quoted by the foster carers who responded to the survey. Several

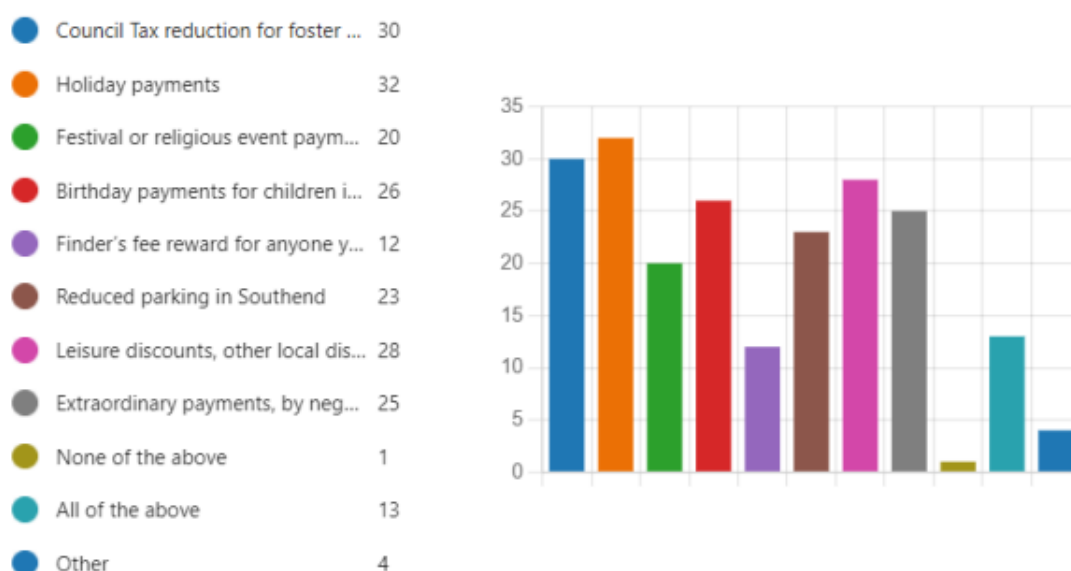
figures had multiple responses, e.g. fee paid carers (11 responses said £345) and single carers and others were clearly divisions of this fee by the number of children they were caring for. This widespread of answers suggests that the fee system is not clear to carers as to what they are receiving themselves.

- 72 per cent of carers said that a greater allowance was needed, with:
 - 5 per cent saying under £10 more a week would be sufficient
 - 21 per cent saying between £10 and £29 a week would be sufficient
 - 16 per cent saying between £30 - £49 per week, and
 - 31 per cent saying over £50 a week was needed.

We asked for opinions on what additional ‘enhancements’ would be considered important to carers. The topics included: -

- Council Tax reduction for foster carers
- Holiday payments - Festival or religious event payments e.g. Christmas, Eid, Diwali, etc
- Birthday payments for children in your care
- Finder’s fee reward for anyone you recommend to the fostering team who is then approved
- Reduced parking in Southend - Leisure discounts, other local discounts (if not already in place) –
- Extraordinary payments, by negotiation such as school trips overseas etc

Figure 9 Survey Response on additional enhancements from SCC In-house Foster Carers



The anonymous survey conducted with the SCC Fostering Team was completed by 13 respondents. Answers included:

- All respondents felt that current allowances were not sufficient to support carers to foster.
- 62 per cent felt allowances needed to be raised by over £50 a week
- All respondents felt that current fee structure was not competitive
- 69 per cent supported the council reducing council tax for foster carers

The team were asked what three things would improve the financial support offered to foster carers. 21 suggestions were made, the responses are grouped as follows around the key issues:

1. Improved payment system for carers (7)
2. Improved allowances and fees (6)
3. Agreed enhanced allowances at start of placement (2)

A further seven comments were unique to the respondents, ranging from retention payments, to improved finders fees, yearly increases in financial support and delegated responsibility to foster carers for all respite decisions.

6. Changes needed to the support Southend on Sea foster carers

We need 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 who have the right skills to meet the varying and complex needs of children. To achieve this we need to change our offer of support for foster carers to be competitive and ensure children in our care are able to stay within a family environment in Southend on Sea.

The proposals which follow are intended to make the offer for foster carers more transparent, payments simpler and ensure equity of offer so it is less likely there are difference in what foster carers receive. This offer is also competitive, fair and appealing to help attract new carers to join SCC, reduce our reliance on IFA and ensure foster carers have the support they need to achieve the best outcomes for children in our care.

The revised allowances and fees will apply to all in-house foster carers from Monday the 3rd April 2023. All current fee structures will end but we will protect the financial support provided to any carer that will lose out due to these changes for three months to support transition.

Alongside the following new support offer, we will further enhance practice to support foster carers and support them to undertake training to develop their skills to support our children in care to thrive no matter what experiences they had prior to coming into our care.

6.1 Allowances

Keep allowances age categories the same and increase by 10% across all age groups from Monday the 3rd April 2023

Age of Child	Weekly Allowance Rate from 3rd April 2023
0-4	£173.26
5-10	£195.48
11-15	£241.20
16-17	£291.47

An increase in allowances recognises increased costs of living and makes us more competitive with both other local authorities and IFAs.

Add the following additional allowances to include:

- £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

This maintains the current prom enhancement as well as including new enhancements that were identified as helpful by SCC foster carers and aligns us with competitors.

6.2 Fees

Make all fees per child, per week. Remove our current fee structure and replace with the following four fees from 3rd April 2023:

1. Foster Carer – £200
2. Advanced Foster Carer - £300
 - Advanced carers are equipped to look after children who:
 - have had multiple unsuccessful placements
 - requires their foster carer to be available during school hours
 - have a diagnosed disability
 - significantly challenging and risk taking behaviours
 - complex educational needs and need for tailored education programmes
 - significant attachment issues or substance misuse
 - offending behaviour or sexualised behaviour
 - experienced child criminal exploitation, gangs and experiences of being trafficked
 - diagnosed mental health difficulties
3. Specialist Foster Carer - £400

- Specialist foster carers are equipped to look after children who:
 - diagnosed disabilities and who requires a high level of two-parent care or through-the-night care.
 - require a remand bed
 - have multiple or profound difficulties with complex medical needs and a high number of medical appointments
 - presents a sexual risk to other children and therefore needs constant supervision
 - requires solo placement (can't be placed with other children)

4. Step Down Prevention Foster Carer- £850

- Step Down Prevention is to specifically target children who are currently in residential care to step down from residential provision to foster carers and for children who are at increased risk of requiring specialist residential care.
- The Step Down Prevention Foster Care Fee is not intended to be permanent. The aim of the Step Down Prevention Foster Carer is to work intensely with the child, helping them to heal and recover from their trauma, building their resilience and enabling them to enjoy their childhood, learn and grow.
- The Step Down Prevention Foster Care fee will be reviewed periodically, at least every three months, in line with the needs of the child. When the needs of the child reduce, the fee will then align with their needs (Foster Carer, Advanced or Specialist).
- The plan is to pilot Step Down Prevention for two years for a maximum of two carers (2023/24-2024/25) at any time. If successful at reducing the need for residential placement we will look to expand this.
- The additional step down prevention fee is high, but considering average weekly costs of residential and with it only being a pilot for two years to begin with, we can ensure we are getting good value for money before we expand the offer.

Changing all fees to be per child, per week brings us in line with comparators and recognises that more children will require more effort. This also makes us more competitive with neighbours. The addition of specific fees to support carers who look after children with more complex needs is in line with neighbouring authorities and will encourage more in-house carers to support these children, especially considering this has been a particular area where we have seen a decline.

There will be no separate category for mother and baby placements. Instead these will be treated as two young people so will attract two allowances and two fees.

6.3 Council Tax

Southend on Sea Foster Carers will receive Council Tax relief up to Band D. If a foster carer pays council tax at Band E and above, they will receive up to the equivalent of a

Band D relief. For foster carers who do not live within Southend on Sea, we will provide an additional quarterly allowance at the equivalent Southend on Sea banded rate. For example, if a foster carer who lives within another local authority pays Band C council tax in their home local authority, they will receive quarterly allowance towards their council tax equivalent to the Southend on Sea Band C rate.

Table 7 Southend on Sea Council Tax 2022/23

Band	Per Annum £	Weekly allowance rate £
A	1232.16	23.63
B	1437.52	27.57
C	1642.88	31.51
D	1848.24	35.45

The Council Tax rates will track our local council rates for respective years

To receive the council tax relief foster carers must meet the following criteria:

- Be a fully approved foster carer (Regulation 27 of the Fostering Services (England) Regulation 2011)
- Meet the required training, support and development standards
- Have provided 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 – this does not have to be 182 consecutive days or for the same child
- Maintain approval as a foster carer with Southend on Sea City Council
- Maintain your availability to foster
- Claim the exemption only on the one property in which you live

When a young person come into our care, all elected members, employees and partners at Southend on Sea City Council become their corporate parent, which is a collective responsibility for ensuring the best possible care and safeguarding for children who are looked after by us. 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. Council tax exemption is something that is uniquely within our gift as a unitary council that will be a great benefit for foster carers offering this vital support. Providing them with this additional benefit to provide the best care for our children clearly demonstrate the extraordinary value and contribution they provide for Southend on Sea.

Furthermore, council tax exemptions or discounts for foster carers have been applied in other local authorities including Thurrock, Islington, Rochdale, Southwark, Liverpool and Herefordshire. Local authorities report that the council tax exemption is a definite

pull in retention of foster carers, a perk that local authorities can offer over IFA. Although this discount is available in other part of the country it is not available in our immediate locality providing us with a unique selling point to differentiate us from the wider market to attract more local foster carers and retain our existing foster carers.

6.4 Fostering Panel Advisor

Funding for a grade 10 Fostering Panel Advisor post. A Fostering Panel Advisor is a professional advisor to the fostering panel⁶ to ensure the panel is compliant with all legislation and best practice when making recommendations regarding the approval, review and termination of approval of foster cares.

The panel advisor will ensure that necessary policies and procedures are in place and provide such advice as the panel may request in relation to specific cases or generally. They will brief the fostering panel on policy, practice and procedural issues and identified training needs. They ensure that the panel are consulted about relevant developments in fostering practice, assist the panels quality assurance function and will deal with any complaints arising from the panels. Panel advisor must be an experienced social worker with relevant experience, including management experience. This post is a level 10.

While the role of advisor is not prescribed in regulation, the function of the panel are, and therefore it is essential that the Panel Advisor ensures that SCC is compliant with the national regulatory requirements. This role is essential to the running of an effective fostering service as it will ensure SCC fostering is overall compliant with legislation and follows best practice. The role of advisor is present in many other local authorities and is considered an important function on our improvement journey.

Some of the functions of the panel advisor are currently being undertaken by agency staff. This role will lessen the need for additional agency staff and will also be responsible for ensuring key elements of this new offer for foster carers are effectively rolled out including:

- An improved training and development offer for foster carers that provides them with the necessary learning to be equipped to perform their role and their development.
- Drive the training offer to ensure foster carers receive and participate in necessary training to help them do their role well.
- The effective and equitable implementation of the benefits to our foster cares including council tax relief.

6.5 Mileage

We will develop a consistent policy on mileage at 45p per mile for foster carer activities from 1st April 2023. This will be for activities such as, supporting the service in additional to the fostering task (training etc.), contact, attendance at meeting, support groups, hospital and specialist health care appointments, adoption introductions, attending court, collection of emergency passports and university visits.

⁶ The specific function of the fostering panel is detailed in [The Fostering Services \(England\) Regulations 2011 \(legislation.gov.uk\)](#) Regulation 25

7. Cost and benefit analysis of the new offer:

As explained in this paper, the new offer administered through the Foster Care team is targeted to both:

- Increase the number of children in our care placed with in-house foster carers.
- Reduce the number placed in IFA's, Residential and Supported Accommodation.

Table 8 below captures projections from the 1st April 2023, including key dates as to when expected changes to placement numbers are targeted from the current August 2022 baseline and from which derives the cost and benefit model. There is therefore financial risk for cost of the new offer if these numbers do not grow as targeted, but there is a likely and greater cost of a do nothing approach which will continue to increase the overall placement cost base for children looked after. The revised fees and allowances have also, as highlighted in this report, been benchmarked to other local authorities, and are considered fair, transparent and competitive.

Table 8 Change in placement numbers from August 2022 baseline

	Sep-23	Sep-24	Sep-25
In-house foster care placements	19	48	69
Supported Accommodation	(1)	(6)	(9)
IFA's	(16)	(38)	(53)
Residential (offset against new Step Down Carers)	(2)	(4)	(7)

The presented cost of the new offer is based on the current cohort of 84 in-house foster carers as at end of August 22 and the 129 children in their care. The current cohort of in-house foster care children expected to transition the new foster carer weekly fee rates are:

- Foster Carer – £200 (74% of current children)
- Advanced Foster Carer - £300 (20% of current children)
- Specialist Foster Carer- £400 (6% of current children)
- Step Down Prevention Foster Carer- £850 (no current children – but will be expected to grow in line with the targeted residential care reduction)

It is also expected that average in-house care placement types for Foster Care, Advanced and Specialist will maintain as an approximate percentage types of placements as the number of children placed with in-house foster care children grows.

The cost of transitioning existing in-house foster care placement to the new fee rates and increased allowances will cost an additional £0.680M per annum (p/a), and this includes up to £155,000 p/a for band A-D Council tax exemption for the current 84 Carers. The cost of the additional level 10 (including oncosts) post to offer professional advice to the fostering panel, support and drive the offer will cost an additional £68,000 p/a. Therefore the total cost of the new offer is £748,000 p/a at the point of transition from the 3rd April 2023.

Now, in turn – this will also increase the average cost of an in-house foster care placement rising from £21,000 per child supported average (current) to £26,000 per

child supported average. However, this is compared to the average cost of an IFA child placement which is £50,000 p/a, a residential placement which is an average £220,000 p/a (excluding very high cost complex packages – not suitable for fostering), and supported accommodation/semi independent placements (ages 16-18) of £42,000 p/a.

Table 9 demonstrates 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 (as presented in Table 8). 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)

Table 9 Increased costs and savings following the implementation of new foster care offer in April 2023 from the August 2022 current cost base

	23/24 £	24/25 £	25/26 £
New foster carer offer	680,000	680,000	680,000
1 lv10 Fostering offer post	68,000	68,000	68,000
Cost of additional foster carers (on the new offer)	568,000	1,360,000	2,013,000
Saving on IFA's	(800,000)	(1,900,000)	(2,650,000)
Saving on Supported Accommodation/Semi Independent	(42,000)	(252,000)	(378,000)
Saving on Residential	(440,000)	(880,000)	(1,540,000)
Total Cost / (Saving)	34,000	(924,000)	(1,807,000)

There are also much wider benefits in terms of being able to the increase number of children to remain in or close to Southend on Sea, close to their existing community and wider networks.