

**Meeting of the Decision Session –
Cabinet Member for Education,
Children and Young People**

5 February 2013

Report of the Director of Adults, Children and Education

A New Deal for York Foster Carers – Recognising and rewarding professional development

Summary

1. Our foster carers in York look after some of the city's most vulnerable children and young people. The service they provide enables the vast majority of our Looked After Children to remain living in their local communities, attend local schools and enjoy regular contact with their family and friend. The fostering task at its core is to provide our Looked After Children and Young people with a safe, family based care experience as part of a wider plan of care. Our foster carers report that the challenges can sometimes be great but so to can the rewards associated with this work.
2. We expect a lot from our foster carers and in return we recognise the need to provide appropriate training, development, emotional support and remuneration. In general, it is true to say that our foster carers value each of these aspects of support equally. We recognise the importance of retaining a well motivated and skilled foster carer workforce and understand the need to constantly update and refresh our contract, in the broadest sense, with our carers.
3. Over the coming year we will undertake a major overhaul of our local fostering arrangements. In partnership with the local York Area Foster Care Association and the wider children's workforce we will set out a new vision for fostering in York. This vision will describe the shared expectations of the fostering role and in particular clarity about the foster carer's role in the child's wider care planning, a new professional development pathway for carers (including accredited training), a support and challenge model which will set out a revised framework for the support and quality

assurance of placements and a remuneration scheme which will support and reflect this work.

4. This paper addresses the latter issue. It describes the current 'fees and allowances' scheme and proposes changes that will bring the framework for foster carer remuneration more in line with their social work colleagues.

Background

5. Fostering regulations and national minimum standards require that local authorities must review their scheme of allowances and fees as part of their operation as a fostering agency.
6. York has 125 foster carer households, which receive remuneration under a scheme of fees and allowances established in 1997-98. There was a revision in 2002, which added the scope to pay some foster carers specialist scheme fees.
7. Foster carer allowances are currently paid in age bands related to the legal minimum foster care allowances published by the Department for Education annually and considered in York for the allowance rates increase in April.
8. This review is informed by an analysis of the current research into foster carer remuneration and incorporates the best elements of the current scheme with business enhancements. It seeks to build a platform both to enable future recruitment and to retain York's valued foster carers.
9. With this revised scheme we aim to embrace all of the ways in which people wish to foster from kinship carers through to an increasing group of foster carers, who wish to be co-professionals making a career commitment to fostering. The new scheme of remuneration is therefore designed to reflect the increasingly diverse ways in which different people wish to foster.

Revised allowance and remuneration scheme

10. The new scheme is underpinned by a revised accreditation scheme which enables foster carers and the fostering service to describe and agree the skills, knowledge and experience required to achieve different levels of accreditation. The grades of accreditation will correspond to a fee payment structure rewarding both levels of accreditation and the capacity of carers to consider

second or third placements. The scheme will have a review and progression process to enable development through the grades.

11. A training and development plan for foster carers is introduced, which emphasises the importance of professional development and recognises carers for their commitment to personal development and training undertaken.
12. The financial review of the fee payments and the grading structure:
 - contributes to efficient budget management and allocation of resources
 - ensures that existing valued carers are retained to continue their valuable work
 - incorporates the elements of fee schemes recommended from the literature review
13. The new scheme introduces greater clarity about the rationale for all fee payments including a recommendation for the availability of a retainer for a limited period for all foster carers, when they are not fostering for a short period.
14. A new remuneration scheme is essential to promote fostering for York to ensure greater recruitment, therefore reducing any dependence upon placements with the independent fostering agencies (IFAs) in Yorkshire. The fostering service must also remain competitive alongside other local authorities, IFAs and other forms of home based care for people considering new opportunities.

Consultation

15. The review has been undertaken during 2012, with extensive consultation with the York Area Foster Care Association (YAFCA), open meetings with all foster carers and with key advice and support from Finance colleagues in the council.
16. Foster carers have participated in outlining the descriptions of accreditation grades, with recent meetings consulting on the proposals and final adjustments.
17. An international literature review has been undertaken by the Rees Centre for Research in Fostering and Education based at Oxford University. It didn't report specifically upon payment schemes. The most recent national review of foster carer

remuneration took place in Wales. The National Assembly in Wales published its findings in June 2010.

18. The key areas highlighted in the Welsh research were:
- core aims and expectations for child outcomes
 - responsibilities of carers and providers
 - skills and competences for carers
 - career progression
 - specialisation
 - payments to carers
19. These were agreed as the elements upon which York foster carers and the fostering service would collaborate

Proposed accreditation scheme

20. The proposed accreditation scheme is attached in annex A. The key recommendations relate to the establishment of four levels of accreditation with an incremental approach to progression through the levels for all foster carers, who wish to.

Model overview: entry requirements and financial support

Grade	Entry Requirements	Financial Support
Pre-accreditation foster carer	Newly approved carers with some experience of childcare, eg parenting/looking after other people's children	<ul style="list-style-type: none"> • Weekly Allowances • No Fee
A: Accredited foster carer	Have experience of childcare, eg parenting/looking after other's children/paid or voluntary work in childcare/previous fostering experience (six months minimum)	<ul style="list-style-type: none"> • Weekly Allowances • Fee
B: Experienced foster carer	In addition to requirements of previous grade, evidence of significant childcare experience and ability to take more challenging children with more complex needs	<ul style="list-style-type: none"> • Weekly Allowances • Fee

Grade	Entry Requirements	Financial Support
C: Enhanced foster carer	In addition to requirements of previous grades, significant formal childcare experience, eg previous fostering (a minimum of three years previous fostering, including of children with complex needs) or employment in childcare or related experience, eg nursing, youth work, teaching and ability to reflect upon professional experience and relate this to the fostering task	<ul style="list-style-type: none"> • Weekly Allowances • Fee
D: Advanced foster carer	In addition to requirements of previous grades, significant previous experience and demonstrating an ability to respond appropriately to a child/young person whose capacity to make attachments is seriously damaged and to work positively with more extreme disturbed or angry behaviour. Available to support a child/young person who is not in full time education or who is excluded from school	<ul style="list-style-type: none"> • Weekly Allowances • Fee

There is greater detail related to each grade description in annex A.

Allowances and fees proposals

21. The allowances for children and young people are outlined below

Age ranges	Weekly rates 2012/13	Weekly rates 2013/14 (national minimum not yet published)
0-4	117.04	To be confirmed
5-10	129.01	To be confirmed
11-15	148.05	To be confirmed
16-18	175.70	To be confirmed

The 2013/14 minimum rates have not yet been published.

22. The fees to be paid for each grade of accreditation are outlined below:

Grade	Base fee (1st placement)	Capacity payment (for 2nd placement) Additional:	Capacity payment (for 3rd placement) Additional:
Accredited	30	15	15
Experienced	60	15	15
Enhanced	160	20	20
Advanced	467	58	58

23. It is recommended that all foster carers will become eligible for a 4 weeks period of retainer payment per annum, during which the foster carer will be paid their accredited fee, if they are available to foster, but there are no suitable placement available for them. Up to 2 weeks of this retainer payment could also be used by a foster carer taking a break from a foster placement to recharge their batteries. In addition, all foster carers will be retained on their accredited fee during any period of not fostering due to the investigation of a concern or allegation about their fostering. Upon conclusion of the investigation and a decision about continuation of fostering, the retainer will cease.

Ensuring stability during transition

24. Upon implementation of this new scheme all existing carers will be assessed for their eligibility to be co-opted into one of the above grade levels. It is proposed that this will be undertaken by a self assessment by the foster carer and a parallel assessment by the placement worker. It is envisaged that the majority of these parallel assessments will produce the same agreed grade level. For any instances of different grades being assessed, it is proposed that the Head of Service, a representative of the YAFCA and an independent person will convene to consider evidence and determine a grade.
25. During March 2013, an analysis of the effect of the new allowance and fees structure will be undertaken to ensure that the immediate impact for each foster carer is understood upon implementation in April 2013.
26. The stability of all children and young people's placements and the financial circumstances of all foster carers are the paramount considerations in the early stages of the implementation. There

will be a commitment to ensure that transitional protection is assured for the duration of all placements in existence upon the implementation. Upon the conclusion of a placement, the Service Manager, Family Placement will arrange a discussion with foster carers to ensure that the payment arrangements for the foster carers after transitional protection are understood.

27. If the Service Manager, Family Placement considers that there are exceptional circumstances for the foster carer household and/or there are exceptional placement requirements at this time, then a case for extended period of stability transitional protection can be presented to the Assistant Director, Children's Specialist Services, to apply a tapered period over a 3 year period. This will assist with retention.

Options

28. **Option 1:** No change would continue the existing remuneration arrangements. This would perpetuate the anomalies of running two parallel schemes, which don't address the skills agenda outlined above. No change would however obviate the need for any transitional protection.
29. **Option 2:** Implement a new accredited scheme with corresponding grading for foster carer's skill, knowledge and experience with effect from April 2013. The remuneration arrangements for allowances and fees would enable a rationalisation under a single scheme.

Analysis

30. **Option 1:** will significantly limit the scope to implement the changes needed to introduce a strengthened foster care service fit for the future.
31. **Option 2:** presents a model which is endorsed by recent research, has been embraced in consultation with foster carers, but it will require a commitment to stability transition payments to ensure continuity of remuneration to foster carers and accordingly the continuity of stable long standing foster placements.

Council Plan

32. Foster carers contribute enormously to the two council plan objectives of protecting vulnerable people and building stronger communities.

Implications

Financial

33. From 6 weeks of payments (From 14 November to 16 January) we have taken the actual payments with our current rates against the proposed rates. The average details for these over the 6 weeks are:

Year 2013/14

	Current			Proposed			
	Weekly Budget	Adjusted Current Spend	Annual Variance	Weekly Amount	Annual Transition Payments	Annual Variance	Variance Proposed to Current
Average	49,660	49,887	+11,811	48,472	129,557	+67,768	+55,957

Year 2014/15

Average	49,660	49,887	+11,811	48,472	119,000	+57,212	+45,401
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34. In summary:

- weekly payments are lower under the proposed system by £1,415 per week which equals £74k per annum
- however, transitional payments mean that under the proposed rates we would see for 2013/14 an overspend for 2013/14 of £55,957 against the current budget
- for 2014/15 using the proposed rates there would be an overspend of £45,401
- transitional payments to carers are made to ensure stability for current placements which will clearly also change over time. It should be noted that the transition payments above are based on the worst care scenario and that new placements would be on the proposed rates which would give a cost benefit
- the overspend due to the transitional payments will be managed as the scheme commences with regular monitoring of the budget to quantify the actual impact and appropriate mitigation put in place through actions in Children's Specialist Services budgets as required. There is for example, budget capacity within the staffing budget for Children's Social Care, which will be retained in order to cover any required additional expenditure in the new scheme of allowances and fees

Legal

35. The system for payment of all carers needs to be fair, equitable and transparent. Kinship carers are subject to the same checks, assessment and have the same role as non-related foster carers and historically both BAAF and The Fostering Network have advocated for them being paid the same amount. Legal challenges have been made by kinship carers and others against Local Authorities who have not paid approved kinship carers the equivalent rate to that of their foster carers and this has been held to be unlawful. Subsequent Court Judgments have also been made which reinforce the need for fair and equitable systems to support all types of foster care. CYC should therefore ensure that approved kinship carers are paid the equivalent amount as approved foster carers.

Other

36. There are no Human Resources, Equalities, Crime & Disorder, Information Technology or Property implications arising from this report.

Risk Management

37. At the natural conclusion of some current foster placements, there will be a small but significant group of foster carers (18 out of 125 households), who's remuneration package will be less than their current arrangement. This is a reflection of trying to stretch the budget to redistribute the money currently spent on fees to specialist scheme foster carers to implement a higher "advanced" level in the grading structure with corresponding capacity payments (which are not reflected in the current specialist scheme).
38. A possible initial budgetary pressure that may arise from the pay protection element of the scheme has been calculated as between £27K and £54K. This represents approximately 1.0 - 2% of the total fostering budget. Steps to minimise these pressures will be implemented as the scheme commences, with regular monitoring of the budget to quantify the actual impact as described earlier.
39. The impact of any shortfall in local foster placements will increase the cost of placements sought in out of city IFA placements with an average annual cost of £43k per placement. Every local placement retained will reduce this risk.

40. While the new scheme introduces a more equitable, professional and modern payment structure it cannot be fully delivered by our current dated legacy payment system [ISIS]. Although there are plans to procure a new technical system for payments such as these, this will not be achieved in time for the launch of the new scheme. Discussions are ongoing with colleagues from ICT to establish an interim solution. If this cannot be achieved then a period of labour intensive manual updating will be required.

Implications of new scheme modelled against current foster carer cohort

41. **Type 1** - Foster carer, approved but not accredited
There are 24 households in this group, which will be unaffected financially by the proposals.
42. **Type 2** - Foster carers accredited
There are 13 households in this group, most of which will be unaffected financially by the new proposals. Two households may require stability transition payment.
43. **Type 3** - Foster carers experienced
There are 2 households who are likely to be deemed to fall into this category. The financial impact for each of these households may require stability transition payment.
44. **Type 4** - Foster carers enhanced
There are 25 households, which are likely to be deemed to be enhanced. 10 of households may require stability transition payment
45. **Type 5** - Foster carers advanced
There are 43 households, who currently receive specialist fee payments. Three of these households will require stability transitional protection. In this period, there will be a challenge to the budget as any increases will be effected at the same time as the payment of stability transition payments. This funding will need to be pump primed (from reductions in the use of IFAs) during the transition period.

Recommendations

46. The Cabinet Member is asked to consider:

(a) Option 2, the implementation of a new scheme of accreditation, grading and remuneration is recommended.

Reason: The implementation of accreditation scheme for foster carers will enhance their place in the Children's Social Care Workforce and provide a platform for recruitment of new foster carers with a clear professional development pathway and associated remuneration.

Contact Details

Author:

Cath Murray
Customer Complaints &
Feedback Manager, CBSS
Ext 4080

Chief Officer Responsible for the report:

Eoin Rush
Assistant Director (Children & Families)

Pete Dwyer
Director of Adult, Children and Education

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Specialist Implications Officer(s)

Financial

Richard Hartle
Finance Manager
Ext 4225

Legal

Melanie Perara
Senior Solicitor
Ext 1087

Wards Affected:

All

For further information please contact the author of the report

Background Papers

Foster Carer Payments Schedule and Fees Framework, Final Report for Welsh Assembly Government, February 2010

Annexes

Annex A: Fostering Service, Framework for Foster Carer Fee Payment Model