

Agenda Item	20
Report No	HC/65/19

HIGHLAND COUNCIL

Report Title: Fostering and Adoption: Foster Carer Fees Review and Proposal

Date: 9 December 2019

Report By: Executive Chief Officer (Health and Social Care)

1. Purpose/Executive Summary

1.1 This report sets out the need to review the current payment structure for fees paid to foster carers approved by Highland Council. Currently Foster Carers are in receipt of a weekly fee per household irrespective of the number of children they have placed in their care.

1.2 The proposal is to pay a fee per child and increase the fee by 20% to affect an increase in the number of available placements within the service by up to 20 and reduce the need to purchase more expensive placements from the Independent Fostering sector and thus reduce the costs to the overall for Children's Services. This review is a constituent project within the Placement Services Change Programme (PSCP).

2. Recommendations

Members are asked to agree that with effect 1 January 2020:

- (i) To change Foster Carer fee payments from a fee per household to a fee per child and;
- (ii) To increase the Foster Carer fee payments by 20%

3. Implications

3.1 Legal

Fostering and Adoption Services in Highland Council are governed by the Looked after Children (Scotland) Regulations and Adoption of Children (Scotland) Act 2007. It is the responsibility of fostering agencies to provide fees, at a discretionary rate, to foster carers and to deliver an optimum level of care for looked after children.

3.2 Community (Equality, Poverty and Rural)

The ethos driving the Placement Programme is to provide alternative services which enable young people to remain as close to their communities in Highland as possible.

3.3 Climate Change/Carbon Clever

These proposals will reduce travel and associated costs relating to transport to and from placements out-with Highland.

3.4 **Risk**

There is the continued risk (seen across the UK) that the number of children requiring to be looked after continues to increase which has significant cost implications. This new service delivery proposal will meet the needs of children in the Highland Area while also delivering cost reduction. Recruitment of Fostering & Adoption Social Workers can prove difficult in Highland as can recruitment and retention of Foster Carers. This proposal can help mitigate this risk.

3.5 **Gaelic** – there are no Gaelic implications.

3.6 **Resources**

The Council recognises that investing in Foster carers locally is the best approach in providing the most vulnerable children with care in their Highland community. An investment of £500k is likely to have the effect of reducing external foster agency costs by £765k. This should in turn deliver reduced costs to the Council of £265 k per annum.

4. **Background to the Business Case**

4.1 Placement provision for Looked After children and young people has been a budget pressure for Highland Council for some time, in common with most other Scottish Local Authorities. This pressure has increased in the last few years as more children and young people require to be cared for by the Local Authority and some are placed out-with the Highlands due to lack of available family-based placements within our own service. It is imperative that we also try and keep siblings together and results in us having to use Independent Fostering Agencies (IFA).

4.2 Research demonstrates when children and young people receive good consistent care which is nurturing, long standing and where they can build relationships that make them feel loved, valued and accepted will show better outcomes for them in the future and into adulthood. Foster Care is the preferred provision of care for most children, better value for money and enables better outcomes for our children and young people.

4.3 We currently have 112 children and young people in our foster care service and the average cost for one child in placement is £16k per year. 66% of those children are under 10 years of age and there is increased opportunity for them to be adopted or in permanent fostering. 21 children are also with pre-adoptive parents and work is ongoing to secure their futures with new parents.

4.4 46 children are also currently in IFA placements and the average cost for one of the IFA placements equates to £51k per year. 28 of the children are siblings and 8 of the children are placed in IFA placements within the Highlands. There has been a small reduction of children in IFA placements in the last year.

- 4.5 The current fostering and adoption team are dealing with a broad range of duties and tasks that include enquiries, assessments, reviews, post approval support, training and reviews. They also support foster carers and adopters with managing and understanding children's developmental needs and behaviour to support sustainable caregiving and prevent breakdown. Some of this work is done out of hours and our new additional Child and Adolescent Mental Health Service (CAMHS) linked to Arach will be fundamental to ensuring our foster carers are given the upmost support in caring for our children.
- 4.6 All foster carers nationally are self-employed regardless of who you provide fostering on behalf of, and the difference between our own fostering service and IFA's is the fostering fee. IFA's pay their carers a fee per child where we pay our foster carers a fee per household regardless of how any children they are caring for.

5. Placement Services Achievements to Date

- 5.1 The review of the Fostering Service is a project within the Council's PSCP which seeks to: retain more young people in the Highland area connected to their family and places they know, increase the number of children placed in our own foster care service or with family alternatives, reduce educational and social care spot-purchased placements and reduce spend on placements thereby making budgets more sustainable.
- 5.2 In the last year, 42 children have returned to Highland or been able to remain in area through the programme, avoiding costs of over £6M. Nine of these young people are now in family-based placements.
- 5.3 This has enabled the opportunity to expand our existing property portfolio within Highland including new specialist residential homes and supported flats. In addition, Àrach a new outreach and respite service was established to reduce the numbers coming into purchased residential placements by providing an outreach service to keep children at home with their families wherever possible. A specialist foster carer is employed through Àrach and is working with young people to sustain their foster care placements. A Foster Care Social Worker is also currently advertised for Àrach. In addition, a dedicated, expanded CAMHS service has been funded for Looked After young people with staff currently being recruited by NHH.

6. Achievements Specific to the Fostering and Adoption Service

- 6.1 The Fostering Service has also implemented several improvements recently. All new enquiries to the service are now managed through the modernised online enquiry and application process, both, making it easier for prospective foster carers to enquire about the service and apply, and providing a case management system to help the team manage their workload and data associated with applications. The fostering and adoption web-pages have also been updated to provide the latest information required to attract and inform prospective foster carers and adopters.
- 6.2 The team have also been supporting the wider efforts of the PSCP and have recently

led on the return of 5 children to foster care from out of area residential placements. As well as returning 2 Children from more costly independent fostering placements to be closer to the area they know with Highland foster carers.

- 6.3 In addition to this and to further support the aims of the PSCP, the team have committed to approving 20 new foster carers in the next year.
- 6.4 To support this work and ensure that the team can continue robustly supporting our current Foster carers and placements, 2 Social Work posts have been created and funded through the Change Fund.

7. Payment of Fees to Foster Carers

- 7.1 In 2004 it was agreed by members to pay Highland foster carers a fee per household. It was recognised that the fee paid had to be substantial enough for the complex care task and to attract people with existing skills and experience to choose fostering rather than alternative employment. The fees paid in Highland have not been uplifted for inflation since April 2015 when a 4% increase was last agreed.
- 7.2 Fees were also introduced in response to the increasing number of independent fostering providers who were establishing a presence in Highland. There is now further active recruitment by these agencies, and this is a significant and growing challenge faced by the Service. The difficulties of recruitment and retention of foster carers is a national issue.
- 7.3 Foster Carers are critical to the successful care of looked after children and there is evidence that supports the view that children in foster care achieve better outcomes.
- 7.4 Many foster carers are finding it more challenging to fund the service they provide, and are leaving or reducing their availability, to seek employment elsewhere, which in turn can also add to the cost of supporting the care of very young children in foster care.

Table 1 shows where Highland Council currently sits when compared to fees paid by other local authorities in the same family group and when the 20% increment is added.

Table 1 Local Authority	Household weekly fee	Local Authority	Household weekly fee
Highland (current)	£134	Midlothian	£192
Highland (+20%)	£160	Scottish Borders	£157
Argyll & Bute	£87	Stirling	£165
Moray	£165	East Lothian	£220
Midlothian	£192	Angus	£205

- 7.5 Paying a fee per child and increasing the payment by 20% would encourage carers to care for sibling groups, older children and to consider taking more than one child, potentially increasing our current resources by up to 20 placements. It would also improve the recruitment and retention of our current carers and reduce the need to purchase expensive placements from the Independent Fostering Agencies.

7.6 The proposal to pay foster carers fee per child and the implementation of this would be approximately £500k. The additional costs associated with this would be offset by reducing the number of children in IFA placements. Foster carers who have been approved to care for more than one child have indicated they would care for more children and this would create more placements for our children within Highlands.

8. Independent Fostering Agencies

8.1 At 1 November 2019 there were 158 children and young people in Foster Care with 46 of these children placed both within and out with Highland with carers registered with Independent Fostering Agencies (IFAs).

8.2 The Fostering and Adoption Service has been in considerable financial pressure and overspend in recent years due to the cost with independent fostering agencies and being unable to meet demand from Highland Council foster placements. In addition, IFAs are often out of the Highland area which is contrary to the Council's ambition to care for and school our children in area therefore this is a significant driver to look to increase Highland Council foster placements.

8.3 IFA placements are still less costly than purchased Residential Placements which would be required were foster placements not identified.

9. Returns from Independent Fostering Agencies

9.1 At least 22 children of the 46 placed with IFAs will remain with their current carers on a permanent fostering basis for the remainder of their childhood. These tend to be older children who would have difficulty moving to Foster Carers in Highland and forming new relationships at this age and stage of their lives. This is viewed as being in the best interest of these young people.

9.2 By increasing the rate of fees for Highland Council foster carers, paying per child and moving appropriate children from more expensive IFA placements to Highland Council placements, would cost an estimated additional £500k. It is also estimated that up to 15 children who are in the younger age group will either be returned to Foster placements in Highland or moved on to adoptive families as a result of the policy changes proposed (pay per child and increase fees by 20%). This would also reduce the current spend with IFAs by an estimated £765k (15 * £51k, as reported at 4.4) and deliver on the Council's aforementioned ambition as reported at 8.2 to care for and school our children in area. Although these proposals could deliver reduced costs of £265k per annum, as reported at 3.4, the risks include that the number of children requiring to be looked after overall increases which has cost implications.

9.3 As reported to the Care, Learning & Housing Committee in October 2019, there has been an increase in cost of Fostering & Adoption as a direct consequence of the actions being taken to return young people out of authority to the Highlands. As well caring for and schooling more children in area the overall costs are lower and this has delivered significant savings within the Placement Services Change Programme overall. The current overspend in Fostering & Adoption is £1.5m and the Service is committed as part of its ongoing work and review of the budgets overall that the budgets ultimately provided in 20/21 better reflect where costs are being incurred.

9.4 Implementation of this ambitious plan will build on the experience already gained

through the PSCP, where the team has successfully returned 42 children from out of authority. A similar approach will be taken by the Fostering Team to identify and support the moves of 15 children from IFA placements to either HC foster carers or to adoptive parents.

- 9.5 It is possible that this process may present more challenges than the move of children from residential care as children are likely to be more settled in foster placements, but the team will endeavour to identify and support the most appropriate children to be moved to more local and appropriate family-based placements over the next year.
- 9.6 This work will be undertaken in conjunction with a targeted campaign to recruit new foster carers to work for Highland, bolstering the efforts of the PSCP to stop children from leaving the Highlands or being placed in residential care. All this work will be carefully managed to ensure that pressure is not placed on existing resources leading to less time spent supporting current carers and placements.

Designation: Executive Chief Officer (Health and Social Care)

Date: 29 November 2019

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