

To: SOCIAL WORK COMMITTEE		Subject: FOSTERING: SERVICE DEVELOPMENTS AND FINANCIAL ALLOWANCES/FEEES	
From: DIRECTOR OF SOCIAL WORK			
Date: 18 MAY 2006	Ref: JD/ST/FW		

1. Purpose of Report/Introduction

To advise committee of developments to the fostering service, and to seek approval of new arrangements for allowances and fees.

2. Background

- 2.1. Foster carers are recruited to care for children/young people, who for a range of reasons are not able to live with their own families. A wide range of services can be provided including respite care, short breaks, complementary care and longer term placements. The service is usually provided for a time limited period, and in most placements the child's parents retain their parental rights and responsibilities.
- 2.2. Research has confirmed that outcomes for children and young people are significantly better when placed with foster carers as opposed to being placed in residential settings. This includes better educational attainment, improved self esteem and self confidence, improved employment prospects and less likelihood of involvement in the justice system.
- 2.3. Fostering is subject to the Fostering of Children (Scotland) Regulations 1996, and is also regulated by the Arrangement to Look After Children (Scotland) Regulations 1996.
- 2.4. Fostering is also subject to registration and inspection by the Scottish Commission for the Regulation of Care (the Care Commission) as required by the Regulation of Care (Scotland) Act 2001.
- 2.5. Recent contact from the Care Commission has confirmed that the Fostering Service in North Lanarkshire will be inspected in August 2006. The inspection will assess the service against national standards relating to:
 - Services to Children
(including information, decision making, promoting good quality care)
 - Services to Foster Carers
(including assessing and approving carers, allowances, expenses and fees and the fostering panel)
 - Management and Staffing
(including structure, posts and management arrangements)
- 2.6. A recent report by the Fostering Network and the British Association for Fostering and Adoption highlights the significant change in foster care. The demands and expectations on foster carers are rising, and the complexity of the task is increasing. The report outlines that there is a national shortage of at least 10,000 foster carers across the UK.

- 2.7 Within North Lanarkshire, there have been significant challenges in accessing appropriate placements within the authority. This has resulted in some foster carers caring for more children than originally approved to care for. It has also resulted in placements being sought with the independent sector, at significant cost (average cost £700 - £1200 per week).
- 2.8 A recent bench marking exercise has highlighted that the market place for foster carers is highly competitive, with allowances/fees in the independent sector and neighbouring authorities being significantly higher than in North Lanarkshire.
- 2.9 The Scottish Executive made funding available over a three year period to local authorities to improve the recruitment and retention of foster carers. In North Lanarkshire, the allocation is 2005/6 - £91,500, 2006/7 - £183,000 and 2007/8 - £91,000. The Scottish Executive required a business plan to be submitted to account for the use of this funding, which was approved by Social Work (Operations and Services) Sub Committee in November 2004.
- 2.10 Finally, the joint ministerial letter dated 22 March 2006 to the Chief Officers of all local authorities, Health Boards and Police from the Ministers for Children and Young People, Justice and Health and Community Care, outlines the requirement for partner agencies to confirm that robust arrangements are in place to protect and support children / young people. There is a particular requirement to provide assurance that the needs of children and young people affected by drug misuse are met – this is a significant issue within North Lanarkshire.

3. Proposals/Consideration

Review

- 3.1. A Member / Officer Group on Adoption and Fostering is to be convened, which will focus on the implementation of the new adoption legislation and the implications for practice. Due to the issues / needs outlined in this report, the requirement to submit a business plan for the Scottish Executive and the need to prepare for inspection in August 2006, a review of the fostering services has been undertaken, with a view to developing an action plan which improves the service. The development of the new infrastructure will be able to complement the work undertaken by the Member / Officer Group.

Current Resources

- 3.2. At present, North Lanarkshire has 46 registered foster carers and 14 respite carers who provide placements and support to 133 children. A further 23 children are placed outwith North Lanarkshire with 20 children being placed with independent sector fostering services. Over the past two years seven families have withdrawn from fostering. Of this, two have moved to the independent sector, one retired and four left for other reasons. At present a further eight families are making enquiries about the benefits of moving to the independent sector and it is anticipated that a further two will retire this year.
- 3.3 Foster carers are currently provided with an allowance for the child they are caring for and the current rates reflect the age of the child (see appendix 1). The Fostering Network recommends the introduction of fees for carers to reflect the increasingly complex and demanding tasks undertaken by them. Fees are provided by the independent sector and neighbouring authorities, which means that current arrangements in North Lanarkshire are not competitive.

Vision

3.4 The North Lanarkshire fostering services aims to ensure that:

- the educational, health and social needs of children/young people are met, leading to better outcomes.
- carers and staff are skilled and supported in the task
- the service continually improves and develops within national care standards, relevant performance frameworks and in response to need.

Objectives

3.5 The key objectives are to :

- ensure that children are appropriately placed with carers who are capable of providing safe and effective care.
- increase the number and quality of foster carers to provide a homely environment that positively impacts on children's health, education, welfare and development.
- decrease the number of inappropriate residential placements.
- increase the number of secure permanency outcomes
- reduce the number of placement changes for children.

Findings

3.6 The review findings confirmed that:

- there are significant difficulties in accessing appropriate foster carer placements for children being looked after and accommodated.
- children are being placed in residential settings due to the unavailability of appropriate foster care placements. At times, siblings groups have had to be split between foster carers.
- placements are being made in the independent sector due to a lack of foster care placements in North Lanarkshire or due to a lack of appropriately experienced and skilled foster carers.
- the allowances provided to foster carers in North Lanarkshire do not compare favourably with the allowances provided by the independent sector and neighbouring authorities.
- the independent sector and other neighbouring authorities provide fees to foster carers which are not provided in North Lanarkshire.
- a centralised team with experience and skills in recruiting, assessing, training and supporting carers is the most effective way of organising the service.
- a strong partnership approach between the department and foster carers is required to recruit and retain carers.

Progress

3.7 Progress in improving the fostering services will be made by:

- developing a fostering recruitment campaign which will attract new foster carers (due to start in May 2006)
- introducing a revised allowance and fee based scheme of payments based on the appropriate skill level
- centralising the link support arrangements within the Adoption & Fostering Team based at Headquarters
- implementing a training programme which appropriately develops and supports carers within the relevant skill level.

- revising management and staffing arrangements within the Adoption & Fostering Team to improve recruitment and retention arrangements
- exploring the feasibility of a fostering/adoption resource base, which would facilitate foster carer involvement and support
- modernising the Fostering, Adoption and Family Placement Panel to improve involvement and decision making.

4. Financial/Legal/Personnel Implication

- 4.1. The review findings and recommendations are consistent with national policy and guidance, and evidences a commitment to improving outcomes for children/young people, while also ensuring best value.
- 4.2. The additional responsibilities to be undertaken by the Adoption & Fostering Team will require a redesign of existing management and staffing arrangements. This will be presented to a future committee for consideration.
- 4.3. The current and proposed allowances and fees are set out at appendix 1. The Department would recommend revised allowances and fees as follows:

Age of Child	Allowance per Child
0 - 4	£ 114.87
5 - 10	£ 130.85
11 -15	£ 162.89
16 +	£ 198.11

Skill Level	Fee
Level 1 carer	£100 per child per week
Level 2 carer	£130 per child per week
Level 3 carer	£160 per child per week

- 4.4. Appendix 2 indicates the cost to the local authority of implementing a minimal fee and allowance based scheme. However, this approach would not compare favourably with neighbouring authorities or the independent sector, and is therefore unlikely to attract new carers or to retain existing carers. As a consequence, the use of the independent sector and residential services would continue to grow, with significant additional costs for the local authority on a year on year basis.
- 4.5. Appendix 3 indicates that the costs of introducing a fee and allowance based scheme which competes with the independent sector and neighbouring authorities. This would mean increasing the number of carers with consequential cost increases in year 1. Thereafter, these costs would remain at similar levels as the recruitment of carers would mean a reduction in the use of residential care and independent sector placements. Critically, this approach will ensure best outcomes for children.
- 4.6. In the short term, the projected deficits shown in Appendix 3 will require to be funded from within the overall resources available to the department. This reflects the current situation where overspends in this area are offset by underspends elsewhere. In the longer term, resources will require to be identified to adequately fund this area of service.

5. Recommendations

It is recommended that committee:

- (i) approve the revised allowances and fees as set out at section 4.3 with an implementation date effective from 01.06.06.
- (ii) note the range of developments as outlined at section 3.6.
- (iii) request the Director of Social Work to present a progress report at a future committee.



Jim Dickie
Director of Social Work
2nd May 2006

For further information on this report please contact Susan Taylor, Manager, Children, Families & Justice on telephone 01698 332032.

**NORTH LANARKSHIRE COUNCIL - SOCIAL WORK DEPARTMENT
COMPARISON OF FINANCIAL ARRANGEMENTS FOR FOSTER CARERS**

APPENDIX 1

Present NLC Fostering Rates

Carers paid allowance per child. Rate of allowance increases with age of child.

Age of Child	Allowance per Child	
0 - 4	£	96.59
5 - 10	£	119.53
11	£	149.17
12 - 15	£	198.88
16 +	£	257.54

Minimum Enhancement

Carers continue to be paid allowance as above but carers would also be paid a fee to reflect their level of skill.

Skill Level	Fee
Level 1 carer	Allowance as above
Level 2 carer	Allowances + £50 fee per child per week
Level 3 carer	Allowances + £75 fee per child per week

Recommended NLC Foster Rates

Carers continue to be paid allowance as above but carers would also be paid a fee to reflect their level of skill.

Age of Child	Allowance per Child	
0 - 4	£	114.87
5 - 10	£	130.85
11 -15	£	162.89
16 +	£	198.11

Skill Level	Fee
Level 1 carer	£100 per child per week
Level 2 carer	£130 per child per week
Level 3 carer	£160 per child per week

Projections Based on Current Foster Rates with minimal Enhancement

APPENDIX 2

Budgets	2005/06	No of Placements	Year 1	No of Placements	Year 2	No of Placements	Year 3	No of Placements
Budget - Residential Schools/Secure Accommod.	£ 488,400		£ 488,400		£ 488,400		£ 488,400	
Budget - Fostering Allowances	£ 1,062,411		£ 1,062,411		£ 1,062,411		£ 1,062,411	
Budget - Fostering Discretionary	£ 260,745		£ 260,745		£ 260,745		£ 260,745	
Budget - Specialist Community Placements	£ 252,882		£ 252,882		£ 252,882		£ 252,882	
Budget - Respite	£ -		£ -		£ -		£ -	
Budget - Shared Care	£ 94,140		£ 94,140		£ 94,140		£ 94,140	
CCSF Monies	£ -		£ 850,000		£ 850,000		£ -	
Scottish Executive	£ 91,500		£ 183,000		£ 91,500		£ -	
Total Budget	<u>£ 2,250,078</u>		<u>£ 3,191,578</u>		<u>£ 3,100,078</u>		<u>£ 2,158,578</u>	
Residential Schools/Secure Accommodation	£ 1,460,000	19	£ 2,078,542	23	£ 2,658,486	26	£ 3,299,011	29
Independent Foster Providers	£ 695,000	21	£ 1,018,705	32	£ 1,344,302	41	£ 1,688,762	50
NCH Caps	£ 276,000	5	£ 260,302	4	£ 268,111	4	£ 276,154	4
Foster Carers	£ 1,412,022	129	£ 1,339,626	117	£ 1,316,143	105	£ 1,287,495	93
Respite	£ 16,872	119	£ 27,166	119	£ 26,651	115	£ 26,621	110
Shared Care	£ 17,528	27	£ 23,000	27	£ 21,300	25	£ 19,600	23
	<u>£ 3,877,422</u>	<u>320</u>	<u>£ 4,747,339</u>	<u>322</u>	<u>£ 5,634,993</u>	<u>316</u>	<u>£ 6,597,642</u>	<u>309</u>
Funding Deficit	<u>(£ 1,627,344)</u>		<u>(£ 1,555,761)</u>		<u>(£ 2,534,915)</u>		<u>(£ 4,439,064)</u>	

Projections Based on Recommended Foster Rates

APPENDIX 3

Budgets	2005/06	No of Placements	Year 1	No of Placements	Year 2	No of Placements	Year 3	No of Placements
Budget - Residential Schools/Secure Accommod.	£ 488,400		£ 488,400		£ 488,400		£ 488,400	
Budget - Fostering Allowances	£ 1,062,411		£ 1,062,411		£ 1,062,411		£ 1,062,411	
Budget - Fostering Discretionary	£ 260,745		£ 260,745		£ 260,745		£ 260,745	
Budget - Specialist Community Placements	£ 252,882		£ 252,882		£ 252,882		£ 252,882	
Budget - Respite	£ -		£ -		£ -		£ -	
Budget - Shared Care	£ 94,140		£ 94,140		£ 94,140		£ 94,140	
CCSF Monies	£ -		£ 850,000		£ 850,000		£ -	
Scottish Executive	£ 91,500		£ 183,000		£ 91,500		£ -	
Total Budget	<u>£ 2,250,078</u>		<u>£3,191,578</u>		<u>£3,100,078</u>		<u>£ 2,158,578</u>	
Residential Schools/Secure Accommodation	£ 1,460,000	19	£ 1,064,568	11	£ 880,996	8	£ 796,326	6
Independent Foster Providers	£ 695,000	21	£ 382,014	12	£ 262,303	8	£ 135,101	4
NCH Caps	£ 276,000	5	£ 260,302	4	£ 268,111	4	£ 276,154	4
Foster Carers	£ 1,412,022	129	£ 2,207,430	149	£ 2,400,024	156	£ 2,587,371	162
Respite	£ 16,872	119	£ 29,992	119	£ 31,275	129	£ 32,608	139
Shared Care	£ 17,528	27	£ 25,000	32	£ 32,812	42	£ 40,625	52
	<u>£ 3,877,422</u>	320	<u>£3,969,306</u>	327	<u>£3,875,520</u>	347	<u>£ 3,868,185</u>	367
Funding Deficit	<u>(£1,627,344)</u>		<u>(£ 777,728)</u>		<u>(£ 775,442)</u>		<u>(£1,709,607)</u>	