

Meeting date: Tuesday 14th February 2023

Report to: Cabinet Portfolio Holder for Children and Education

Report title: Foster Carer Allowance, Fees, and Charges to Other Local Authorities and Other Care Payments – Additional Rate Review 2022/23 and Annual Rate Review 2023/24

Report from: Director for Children’s Services and Skills, Pete Campbell

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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith’s Wood | St Alphege
-

Public/private report: Public

Exempt by virtue of paragraph: N/A

1. Executive Summary

- 1.1 This report sets out changes to the recommended rates for the:
- (a) Fees and allowances paid to Foster Carers.
 - (b) Charges made to other local authorities for foster placements.
 - (c) Level of other care payments/allowances.
- 1.2 Solihull reviews its care rates annually. There is different legislation and guidance for each of the different care components. This report sets out the detail of those, the make-up of the current rates, the approach to determining the proposed new rates and the factors that have been considered in coming to those recommendations.
- 1.3 There are several different rates considered in this report, most of which are based on the two main payments, the foster allowance, and foster fees. For these, we have already given an assumption for required inflation when we set the 2022/23 rates.

Given market inflation we are recommending an additional increase to 2022/23 payments with effect 2nd January 2023. The report then also sets out as usual the increases for the following financial year, 2023/24, which will take effect on 10th April 2023. The existing inflation and proposed inflation for the two main payments, as set out in the report, is as follows:

Main Payment	2022/23 Original Inflation Approved*	2022/23 Additional Inflation recommended from 2nd January 2023	2023/24 Inflation recommended from 10th April 2023	Total increase to Carer payments compared to current (2022/23 Original) by 10th April (cumulative)
Foster Allowance	3.00%	3.00%	3.63%	6.74%
Foster Fees	2.00%	3.45%	4.00%	7.59%

** Approved Cabinet Portfolio Holder Children, Education and Skills Decision Session 18th February 2022*

- 1.4 The full range of rate changes is set out at Appendix A. These will cost an additional £75,000. This cost is immaterial compared to the equivalent cost of losing an internal foster carer and having to use external foster at £21,800 per placement per annum.
- 1.5 A new 'Fostering Fee – Emergency Duty Retainer' is recommended, due to increased challenges with finding suitable placements and to help mitigate the risk of having to place children in unregulated provision.
- 1.6 Approving these proposals is vital to our placement sufficiency strategy for more cost-effective placements that are closer to home for our children and young people.

2. Decision(s) Recommended

2.1 The Cabinet Portfolio Holder is asked to approve:

- 2.1.1 The proposed allowances, fees, payment rates and charges to other Local Authorities from 2nd January 2023 (2022/23 in-year recommended change) and from 10th April 2023 for 2023/24 - Appendix A.
- 2.1.2 The Guidance for Foster Carers on appropriate use of the Foster Allowance - Appendix B.
- 2.1.3 The proposed Financial Support for SMBC Foster Carers - Appendix C.
- 2.1.4 The Fostering Fee Scheme for SMBC Foster Carers - Appendix D.

3. Matters for Consideration

- 3.1 Carers are paid allowances and fees for looking after children and young people placed with them. We also charge other Local Authorities where they utilise one of our placements. The core elements of these fees, allowances and charges are in respect of Fostering. Additionally, there are also payments for 'supported lodging' and 'staying put' arrangements and allowances for 'adoption order', 'special guardianship order',

'residence order' and 'child arrangement order' arrangements.

- 3.2 The full range of these allowances, fees, and charges, including the current and proposed rates, are set out at Appendix A.

Current Fostering Allowances

- 3.3 The child fostering allowance and related birthday/festival/holiday allowances are one element of fostering payments. They are age related allowances to cover the full cost of caring for an individual child. It is designed that the child allowance covers the additional costs of having a fostered child in the family household.
- 3.4 In 2007/08, the then Department for Children, Schools & Families (DCSF) issued a national minimum foster allowance. The 2023/24 minimum allowance won't be published until April 2023. Solihull's allowance has been more than this national minimum since it came into force.
- 3.5 Between 2002/03 and 2015/16 Solihull paid the Fostering Network's recommended allowance. On 9th September 2015 the Fostering Network communicated that they would no longer be setting recommended minimum allowances, but that it was recommended Authorities would continue to annually increase allowances in line with inflation.
- 3.6 In setting their recommended allowances historically each year the Fostering Network adjusted their prior years estimated increase to take account of actual inflation rates (up or down) and applied an estimate for the forthcoming financial year's inflation. Solihull's allowance has followed this Foster Network recommendation and calculation method to date.
- 3.7 Solihull's current (2022/23) allowances are set out in Appendix A.
- 3.8 The use of the child allowance varies according to the specific needs of each individual child / young person. The Authority issues guidance to ensure that the child / young person's funding is used appropriately, and it provides a starting point for discussions between Social Workers, the Carer(s) and, where appropriate, the child / young person.

Current Fostering Fees

- 3.9 The child allowance does not include any form of fee for the foster carer for the role that they undertake. Each Local Authority is responsible for setting its own fee structure, and as a result there is a variety of fee structures and rates. The Fostering Network historically encouraged fostering services to raise fees to foster carers in line with the pay awards they made to staff. Solihull has applied this approach since 2011/12, and we have historically made an estimate of the fee increase (based on estimated pay award) for the forthcoming financial year, and made any adjustments required to reflect the reality of the last financial year.
- 3.10 At the time of writing the pay award settlement for 2023/24 has still not been agreed.
- 3.11 There are a range of fees within Solihull's current fee structure. These are set out at

Appendix A.

Travel and Mileage Expenses

- 3.12 The rate payable to foster carers for mileage is currently the same as the protected casual user rate for employees of Solihull MBC. The basic foster allowance includes an expected minimum number of miles before carers are then allowed to claim additional mileage.
- 3.13 Currently Carers can claim for additional mileage, after the first 60 miles at a rate of 36p per mile. Foster Carers have asked for some time for this Policy position to be reviewed. We feel that a change is now appropriate considering the increase in costs in running a vehicle during 2022/23.

Proposed New Fostering Fee – Emergency Duty Retainer

- 3.14 Due to the increasing challenges in finding “same day” or emergency foster placements for children, which has resulted on occasions in a child being placed in a unregulated placement, we are proposing that a Foster Carer Emergency Duty Team Rota will be established, where carers can sign up to be part of the rota. Those on the rota would be able to take any child in an emergency outside of working hours i.e., nights / weekends / bank holidays. These Carers must have a spare room available for a child/sibling group and must be willing to take any aged child for at least four nights to allow for a further placement search to be undertaken.
- 3.15 Those carers on rota would be paid an Emergency Duty Retainer payment during their ‘required availability time’, up to the point that a child was placed. The rota would be revisited annually as a minimum, to offer all eligible carers the option to join it. The number of carers on rota and the use of the rota will be monitored and managed carefully to ensure value for money, matching the needs of the service at any point in time. Review in the first 3 months and first year will be vital to understanding whether carers are required on rota only at certain points in the week and year, or all year around.

Private Order Payments

- 3.16 The ‘adoption order’, ‘special guardianship order’, ‘residence order’ and ‘child arrangement order’ allowances are based on the child fostering allowance. This is in accordance with the statutory ‘Adoption Regulations 2005’, the ‘Special Guardianship Regulations 2005’ and current SMBC Policy, which was approved by Cabinet Member for Education, Children and Young People on 9th December 2013. The child fostering allowance for these arrangements is then means testable in accordance with the same Regulations and Policy. This policy is currently under review with the focus on ensuring that Solihull offers a fair and equitable recompense to all our families, and supporting the move towards permanency for children, reducing social care involvement in families where none is required.

Supported Lodging and Staying Put

- 3.17 The ‘Supported Lodging Payment’ and ‘Staying Put Payment’ are non-fostering related payments. These are paid to Supported Lodgings Carers or ‘hosts’, or to ‘Staying Put’

carers, where a young person remains with their previous foster carer once they turn 18, until they are ready for independence or until they reach 21 years of age. Cabinet Member approved the rationale for the make-up of this payment at the Health and Wellbeing decision session on 30th June 2015.

Specialist Payments

3.18 In consideration of Parent and Child, PACE (Police and Crime Evidence Act), Mental Health, and Remand placements, there are now set specialist fees that provide suitable recognition of the cost of providing these placements. Having a set fee enables the council to recruit carers to provide a service that would otherwise have been provided externally, thus providing added value for money.

4. What options have been considered and what is the evidence telling us about them?

4.1 The allowances, fees, payments, and charges within this report fall under the Children's Placements Budget. The expectation of inflation in Solihull's Medium Term Financial Strategy for 2023/24 for Children's placements is currently 6%.

4.2 Since we set the 2022/23 payment rates in February 2022, inflation actual patterns have been very different. Normally we would only adjust for any shortfall in our estimates from the beginning of the following financial year. However, given the scale of inflation, we feel it appropriate and necessary to bring some of the proposed increases forward to Monday 2nd January 2023, recognising the financial pressure that families are under and the hard work that our carers deliver.

Child Allowances

4.3 A comparison between the latest published national minimum fostering allowances and the current Solihull child allowances is shown below:

Age	National Minimum Allowances 2022/23 (per child per week)	SMBC Current Child Allowances 2022/23 (per child per week)	Difference (per child per week)	Percentage Difference (Solihull Rates Higher by)
Babies	£137.00	£159.76	£22.76	16.6%
Pre-primary	£141.00	£159.76	£18.76	13.3%
Primary	£156.00	£181.97	£25.97	16.6%
11 to 15	£177.00	£226.54	£49.54	28.0%
16 to 17	£207.00	£275.58	£68.58	33.1%

The national minimum allowances increased between 2.2% and 2.6% (age and region dependent) between 2021/22 and 2022/23. The national rates would have to increase significantly into 2023/24 to surpass the current Solihull 2022/23 rates, let alone the proposed 2023/24 rates. The risk of this is negligible but would be reviewed as an immediate priority should this occur.

4.4 In 2021/22 we managed to benchmark all 14 west midlands allowances against Solihull's rates. Solihull's 2021/22 child allowances were well above the average paid

across all child age categories, and Solihull ranked as the highest payer in all the four age categories. However, at that time the neighbouring boroughs Coventry City Council and Warwickshire County Council were consistently close to Solihull's allowance rates across all age ranges.

- 4.5 This year, benchmarking has been more difficult, as local authorities have been considering whether additional increases later in 2022/23, given the rates of market inflation, should be applied.
- 4.6 As at January 2023, we have been able to benchmark 6 of the 14 west midlands local authority (LA) child allowances for 2022/23 using latest available data. Including older LA information as well (many dated May to July 2022), we have information for 13 of the 14 local authorities.
- 4.7 As in previous years, Solihull's rates are well above the average value. Solihull's current 2022/23 rates fall just 1.8% short of the maximum payer, our neighbour Coventry, who recently increased their allowances by 3% from the original 2022/23 rates they set:

2022/23 Child Allowances (£ per child per week)		West Midlands Benchmark Group (including Solihull, Coventry, and Warwickshire data)			
		6 LAs as at January 2023			13 LAs most recent data
Age Category	Solihull (Current)	Min	Max	Average	Average
0 - 4 years	159.76	135.54	162.66	151.50	147.03
5 - 10 years	181.97	154.54	185.37	170.85	164.75
11 - 15 years	226.54	181.00	230.58	211.58	200.29
16 - 17 years	275.58	211.00	280.49	253.24	238.63

- 4.8 When we set the 2022/23 allowances, we gave Carers 3% inflation. We would normally inflate allowances in line with CPI. The recommended additional allowances increase of 3% from 2nd January 2023, means that from this date Carers will have access to 6% more than in 2021/22 to support the upbringing of our children. While this is less than the rate of inflation, we feel it is an appropriate offer in the context of a market in which most people aren't seeing income rises in line with CPI and are having to manage their spend accordingly. The total increase of 6% compared to last year's rates is above the average 5.45% pay award that local authority staff have received to support their families. The additional 3% increase is on par with what some other Local Authorities have offered as an additional rate of increase in 2022/23.
- 4.9 Further to this recommended additional 3% increase to allowances from 2nd January 2023, we are recommending an increase of 3.63% from 10th April 2023. Together, the 3.00% from January 2023 and the 3.63% from April 2023 result in a compound increase of 6.74% compared to the current allowances that Carers are receiving to support the upbringing of our children. This compound percentage is in line with the budgeted inflationary increase for placements budgets in the Medium-Term Financial Strategy (MTFS) for local placements.
- 4.10 This proposal should keep Solihull's allowances reasonable for carers and children / young people in our care, but also reasonable in terms of our neighbours' offers and the

current financial climate. Ensuring that Solihull have one of the best child allowance rates in the WMCA helps attract more mainstream internal foster carers, which is key to ensuring the success of the Placement Sufficiency Strategy.

4.11 Under this recommendation, Appendix B sets out the Guidance for Foster Carers on appropriate use of the Fostering Allowance in 2023/24 for approval. Further, the detailed proposed 'Financial Support for SMBC Foster Carers 2023/24' is set out at Appendix C for approval.

Foster Carer Fees

4.12 Fee benchmarking is difficult due to the significantly differing fee schemes that Local Authorities offer. Different Authority fee schemes depend upon several factors including:

- (a) Carers skills levels.
- (b) Child age.
- (c) Number of children placed.
- (d) Needs of the child.

4.13 The Fostering Network 2017/18 England survey, which used the Freedom of Information Act and gained a 99% response rate, showed that for the West Midlands, for non-specialist fees:

- (a) Fees ranged from £0 to £270 per week.
- (b) The lowest fee offered by Authorities was £19 per week on average.
- (c) The highest fee offered by Authorities was £213 per week on average.

Solihull's 2017/18 Fees ranged from £0 to £235.00 per child per week and we estimate that for 2017/18 we will have paid on average £102 per week per child in fees. To the best of our knowledge, a similar survey has not been conducted since.

4.14 When we set the 2022/23 fees, we gave Carers 2% inflation. In line with previous years, we propose to keep the basis of the fees inflation tied to the pay award allocated to staff. The 2022/23 pay award for staff was recently confirmed. This was not a set percentage but a lump sum award. On average the lump sum award was 5.45% of any one member of staffs pay. Taking this as our base and deducting the 2% already being given, results in a recommended increase from 2nd January 2023 of 3.45%.

4.15 In the medium-term financial strategy, we are assuming a 4% pay award for staff for 2023/24 and would like to apply this increase now to foster carer fees from 10th April 2023. Should the actual pay award be more or less than this, we will review the fee rates at that time. Differences could either be considered in a special report, or they could be left until the following April to be reflected in payments to carers, as felt appropriate by officers at the time.

4.16 Together, the 3.45% and the 4% result in a compound increase of 7.59% compared to the current fees that Carers are receiving. This compound percentage is more than the

budgeted inflationary increase for placements budgets in the MTFs for local placements. However, given the continued hard work of our carers and their dedication to improving the lives of Children Looked After in Solihull, we feel this is an appropriate recommendation.

- 4.17 The detailed Fostering Fee Scheme has been updated to reflect the proposed rates from 2023/24 and is set out at Appendix D for approval.

Travel and Mileage Expenses

- 4.18 We are proposing that the rate is increased to 40p per mile and that the number of miles covered in the basic allowance is reduced to 50 miles.
- 4.19 This proposal will not impact the total level of the basic foster allowance. Previously £21.60 of the weekly allowance was used to cover mileage, under the new proposal £20.00 would be used to cover mileage with the leftover £1.60 per week added to the 'Household & Food' element of the 'Placement Cost' (as per the breakdown at Appendix B).
- 4.20 Under the proposal, carers will be able to claim 11.11% more per mile and to claim earlier as the basic allowance will now cover 10 fewer miles. This is proposed to come into effect from 2nd April 2023, so as not to impact on retrospective mileage claims.

Proposed New Fostering Fee – Emergency Duty Retainer

- 4.21 Due to the increased number of children in care nationally and a shortage of foster carers it is becoming increasingly challenging finding placements for children. There is a statutory duty on the Local Authority to ensure sufficient regulated placements for children in our care and as there is currently a national shortage of foster carers, it is vital that we develop additional options to ensure we can meet this duty.
- 4.22 Therefore, we are proposing establishing an Emergency Duty team foster carer rota, as part of our new recruitment drive, to ensure we can provide care for children in a crisis situation. This EDT foster carer rota, will allow a retainer payment to be made to foster carers who are willing to be on a rota and agree to have a child placed in their care in an emergency, for at least 4 nights, to allow a further placement search to be undertaken. This retainer payment, based on one carer being available for EDT would cost £8,600 a year. This is vital to ensure we have suitable placement availability to minimise the risks of needing to use unregulated provision.

'Supported Lodgings' and 'Staying Put' Payments

- 4.23 In the November 2018 Local Offer Report an increase to supported lodging and staying put payments was agreed, having carried out benchmarking. Since then, we have increased the payment rate based on the same composition, reflecting 25% of the Foster Carer Fee 11+ and the Placements Costs element of the Foster Allowance for Age 16+ (75% of the allowance).
- 4.24 An increase of 3.08% is therefore recommended from 2nd January 2023 and a further 3.68% from 10th April 2023, to continue to keep these payments in line with the

allowance and fee mix. This is a compound 6.88% increase compared to current rates. This increase will be applied to the young person contribution element of this payment also.

Personal Allowance for Young People living independently or semi independently

- 4.25 Young people living independently or semi-independently are supported by us with a Personal Allowance, where that is appropriate and in lieu of them not being able to receive living benefits.
- 4.26 The Government has announced that the Universal Credit rate for 2023/24 will be £292.11, equivalent to £67.41 per week. This is a 13.52% increase on the current rate.
- 4.27 In accordance with the decision made by cabinet in Nov 2018, the level of the Personal Allowance for our 16- and 17-year-olds has kept track with the inflationary increases applied to the foster allowances, until such time as a future revision to the Universal Credit, or equivalent benefit, increases beyond the latest Personal Allowance level for 16- and 17-year-olds. At that time, the Personal Allowance will revert to that higher, Universal Credit rate.
- 4.28 We are proposing a 6.74% compound increase in the foster allowance. If applied to the current 16- and 17-year-old personal allowance rate for Solihull, as proposed, this will give a rate of £68.22 per week from 2023/24 (see Appendix A). While this is lower than the Universal Credit increase of 13.52%, it is in keeping with the principle agreed back in 2018, which was put in place to support our young people who were struggling at the time when Universal Credit was attracting 0% increases, but also needed to balance managing young people expectations and journey to independence. Under this proposal, for 2023/24 our 16- and 17-year-olds will still for the time being get more (£0.81 per week, 1.2%) than if they were on Universal credit.
- 4.29 We are proposing to bring the increase for this age group in partially from January 2023 and then the rest of the way from April 2023, in line with the foster allowance proposals and the mix of fees and allowances that the payment is based on.
- 4.30 In the context of managing young people expectations and journey to independence, the Personal Allowance for 18+ young people is proposed to remain at the Universal Credit level and continues to track that rate over time. These young people will see a 13.52% increase from 10th April 2023. This is good news for our young people.

Charges to other Local Authorities

- 4.31 This is an immaterial part of our business, as numbers are very small and only in exceptional circumstances. To ensure that we continue to recover costs we are proposing an increase based on a mix of average fees and allowances of 3.22% from 2nd January 2023 and a further 3.81% from 10th April 2023, giving a compound increase of 7.15% compared to current rates.

5. Reasons for recommending preferred option

- 5.1 These recommendations follow relevant guidance, meet with regulatory requirements and where applicable, for the child foster allowances, exceed national minimum

standards.

- 5.2 We are satisfied that the increases recommended in this report is likely to keep our fees and allowances comparable to our neighbouring authorities at this stage.
- 5.3 We believe that the proposed fees, allowances, and charges for 2023/24 provide a good position for our carers and for our Children Looked After and Care Experienced Young People. It is our opinion that to not increase allowances, fees, and charges by the recommended amounts (details at Appendix A and above) would be detrimental to retaining our current carers and recruiting new carers which is an integral part of our overall Placement Sufficiency Strategy, especially at a time where household finances are being greatly affected.
- 5.4 Maintaining a reasonable level of fees and allowances is critical to maintaining a sustainable service, rewarding hard working carers sufficiently through the fees and ensuring that carers have sufficient funds through the allowances to look after those children and young people in their care.

6. Implications and Considerations

- 6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>People and Communities:</p> <ol style="list-style-type: none"> 1. Improving outcomes for children and young people in Solihull. 2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive. 	<p>The fostering service aims to recruit not only a greater number of foster carers locally within Solihull but also to expand the types of placement provision available internally to include placement capacity for older children, sibling groups, 'Parent and Child' placements as well as specialist PACE and mental health carers. This will be achieved through additional targeted recruitment campaigns and through an excellent training and support commitment. This will move towards ensuring that Solihull develops a greater level of self-sufficiency in respect of the types of placement offer available to the families of Solihull, ensuring that children are able to remain living locally in their communities where it is safe to do so.</p> <p>Solihull's Placement Sufficiency Strategy aims to maintain a suitable and sustainable number and range of in-house foster care and staying put placements to meet need and to provide high quality placements for the Children Looked After and Care Experienced Young People of Solihull. The recommendations in this report are an</p>

Priority:	Contribution:
	<p>important part of continuing our delivery of that strategy.</p> <p>In working towards increasing our internal placement provision, to ensure that children are placed in good quality placements within their local communities, we are seeking to maximise the potential for their ability to thrive and grow into happy and healthy adults who are able to continue to contribute to the growth of the borough. The fostering service seeks to utilise the physical capital made available throughout Solihull when considering all meetings, training, recruitment, and celebration events. This also considers the wider reach of partner organisations within Solihull to support foster placement provision such as health, education, social and recreation, etc. This enables a greater sense of belonging to the children themselves, families and foster carers who are involved with the fostering service and ensures that additional expenditure to offers value for money.</p>
<p>Economy:</p> <ul style="list-style-type: none"> 5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres. 6. Maximising the opportunities of UK Central and HS2. 7. Increase the supply of affordable and social housing that is environmentally sustainable. 	<p>Solihull's fostering service aims to recruit a greater proportion of foster carers locally to ensure that children are placed in foster placements within their communities, meaning that they can continue to have their education, social and health needs met locally. This will reduce the requirement for children to be placed in external placements, contributing to the economic growth of the borough.</p>
<p>Environment:</p> <ul style="list-style-type: none"> 8. Enhance our natural environment, improve air quality and reduce net carbon emissions. 	<p>Solihull's recruitment strategy to increase its' cohort of local foster carers will reduce the need for travelling by the children themselves to access education, contact and health appointments as well as reducing the amount of travel undertaken by social workers and other professionals supporting both the child and the foster carers. This strategy will help to reduce the carbon impact of the fostering service.</p>

Priority:	Contribution:
9. Promote employee wellbeing	N/A

6.2 Consultation and Scrutiny:

6.2.1 The proposals will be shared with the Solihull Foster Carer Association and their views will be shared once received. Foster carers have fed back to the service throughout 2022/23 that they have been affected by the cost-of-living crisis and this is having an impact upon children, as it is in other parts of society. Foster carers would like to see an increase in the fees and allowances provided to them to care for our children.

6.2.2 These proposals have not been considered by Scrutiny Board.

6.3 Financial implications:

6.3.1 The details of all Solihull's relevant fees, allowances and charges are set out at Appendix A, along with the current rates, the proposed rates from 2nd January 2023, and the proposed rates from 10th April 2023.

6.3.2 The Local Placements and Unaccompanied Asylum-Seeking Children (UASC) budgets support the activity of the fees, allowances and charges being recommended in this report. UASC support is funded by grant from the Home Office, and we do not yet know what the grant rates for 2023/24 will be.

Existing Fees, Allowances and Charges

6.3.3 For 2022/23 the total additional cost above the previous cost level is £40,000 for local and UASC, all of which we have accounted for in the Quarter 3 forecast that is being fed into the MTFS figures, as presented to Resources and Delivering Value Scrutiny on 2nd February 2023. Approving this recommendation will not add to the in-year financial pressure nor impact the MTFS planning.

6.3.4 When considering the compound increase impact on 2023/24:

- a) Some of the recommended compound fee and payment increases are more than the budgeted inflationary increase for placements budgets in the MTFS.
- b) The recommended allowance increases are in line with the 2023/24 budgeted inflationary increase for local placements budgets in the MTFS.

6.3.5 The total additional cost for 2023/24 above budgeted increases is £48,000 for local and £27,000 for UASC. These above costs are immaterial compared to the equivalent cost of losing an internal foster carer. It is more cost effective, approximately £420 per week per placement (equivalent to £21,800 per annum), for Solihull to have internal foster placements rather than external.

Proposed New Fostering Fee – Emergency Duty Retainer

6.3.6 The cost of paying the equivalent of one carer on rota all year around at the proposed

2023/24 rate would be £8,630 per annum. We will need between 1 and 2 carers on rota at the same time, so the costs are anticipated to be between £9,000 and £17,000 per annum. This proposal is essential to meeting our sufficiency duty, with the alternative emergency placement being unregulated and highly expensive in direct costs and administration. As this is a new fee, its success in practice will be monitored and managed carefully by the Head of Service, to ensure that it is providing value for money.

General

- 6.3.7 Improved levels of recruitment and retention of internal foster carers are essential to our sufficiency and foster strategies. Going forward our continued focus is on maintaining a strong percentage of foster placements that are internal foster placements.
- 6.3.8 While there are pressures on finances across the Service, the cost of not making these proposed increases could be more than the cost of making them. The proposed rates are necessary to retain Solihull's position in the market for recruitment and retention of foster carers, as well as for meeting our statutory sufficient duty for placements.
- 6.4 Legal implications:
 - 6.4.1 The proposals are within the legal and statutory guidance framework.
- 6.5 Risk implications, including Risk Appetite:
 - 6.5.1 It is the officers' opinion that not applying the proposed increases would be detrimental to our efforts to recruit good foster carers and would also make it more difficult to retain the foster carers we already have.
 - 6.5.2 In relation to other local authorities, the majority of those contacted are still determining their approach for 2022/23. However, the 2022/23 approach for Solihull, that we are proposing, is in line with the 2021/22 and prior year benchmarking analysis that we have been able to undertake.
- 6.6 Equality implications:
 - 6.6.1 The fostering service aims to provide the right placement for each child, and this requires the service to provide suitable carers to meet the diverse needs of children. Our marketing and training strategy take this into account.
- 6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), Local

Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

6.7.1 N/A

7. List of appendices referred to

7.1 Appendix A - Children's Fees, Allowances, Payments, and Charges

7.2 Appendix B - Guidance for Foster Carers 2023-24

7.3 Appendix C - Financial support to Foster Carers 2023-24

7.4 Appendix D - The Fostering Fee Scheme for SMBC Foster Carers 2023-24

8. Background papers used to compile this report

8.1 None

9. List of Other Relevant Documents

9.1 N/A