

**Meeting date:** Monday 22<sup>nd</sup> February 2021  
**Report to:** Portfolio Holder for Children, Education and Skills



**Subject/report title:** FOSTER CARER ALLOWANCES, FEES AND CHARGES TO OTHER AUTHORITIES AND OTHER CARE PAYMENTS/ALLOWANCES 2021/22 - ANNUAL RATE REVIEW

**Report from:** Director for Children's Services and Skills, Louise Rees

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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. Purpose of Report**

1.1 To recommend for 2021/22 Financial Year:

- The fees and allowances paid to Foster Carers;
- The charges made to other local authorities for foster placements;
- The level of other care payments/allowances.

**2. Decision(s) recommended**

2.1 Portfolio Holder is asked to approve:

- (a) The proposed allowances, fees, payment rates and charges to other Local Authorities for 2021/22 - Appendix A;
- (b) The Guidance for Foster Carers on appropriate use of the Foster Allowance - Appendix B;
- (c) The proposed Financial Support for SMBC Foster Carers - Appendix C;
- (d) 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 are set out at Appendix A. This details the current and proposed rates.

#### ***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 2021/22 minimum allowance won't be published until April 2021. Solihull's allowance has been in excess of 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 also applied an estimate for the forthcoming financial year's inflation.
- 3.7 Solihull's allowance has followed this Foster Network recommendation and calculation method to date. Solihull's current (2020/21) 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. 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 make to staff. Solihull has applied this approach since 2011/12 and, similar to the approach for allowances, we have historically made an estimate of the fee increase (based on estimated pay award) for the forthcoming financial year and make any adjustments required to reflect the reality of the last financial year. For 2021/22 we are proposing to align the pay award rate given to staff in late 2020 for the 2020/21 pay year.
- 3.10 There are a range of fees within Solihull's current fee structure. These are set out at Appendix A.

## ***Other Care Payments / Allowances***

- 3.11 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 of our families that supports a move towards permanency for children and reduces social care involvement in families where none is indicated.
- 3.12 The 'Supported Lodging Payment' and 'Staying Put Payment' are non-fostering related payments. This is paid to Supported Lodgings Carers or 'hosts' or to 'Staying Put' arrangement carers, whereby 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 for Health and Wellbeing on 30th June 2015.
- 3.13 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?**

**Determining the level of Child Allowances and Foster Carer Fees for 2020/21**

- 4.1 Given the change in the financial climate since the Foster Network stopped issuing its own detailed recommendation (see paragraph 3.5), and the length of time it has been since Solihull carried out a comprehensive review of the level of Solihull Allowances and Fees, it is now prudent to carry out and refer to a full benchmarking exercise for the setting of the 2021/22 rates.
- 4.2 Nationally Local Authorities are at different stages of determining and approving their 2021/22 fees and allowances. However, 2020/21 information is available to inform this review. A summary of this information and the rationale for the rates subsequently being proposed is set out below. The detailed rates proposed for 2021/22 are set out in Appendix A.

**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 2020/21 (per child per week)	SMBC Current Child Allowances 2020/21(per child per week)
Babies	£132.00	£152.06
Pre-primary	£135.00	£152.06
Primary	£149.00	£173.21
11 to 15	£170.00	£215.63
16 to 17	£198.00	£262.30

The national minimum allowances increased between 1.8% and 2.3% (age and region dependent) between 2019/20 and 2020/21. The national rates would have to increase significantly into 2021/22 to surpass the Solihull 2020/21 rates. The risk of this is negligible, but would be reviewed as a priority should this occur.

- 4.4 The expectation of inflation in Solihull's Medium Term Financial Strategy for 2021/22 for Children's placements is currently 2.4%. The RPI annual inflation rate for October 2020 is 1.3%, with the long-term forecast for it to increase to 2.8%.
- 4.5 In order to provide some local bench marking information Solihull has collated the basic child allowance information for ten of the 14 West Midlands Authorities. The results are shown below. In reviewing this information, it is important to note that Local Authorities set their allowances differently. As an example different Authorities, including those at both ends of the range of paid allowances, say that their basic allowances cover all child basic needs:
- (a) Including all mileage, or
  - (b) Including a threshold of basic mileage, with exceptional mileage claimed above that threshold; this group includes Solihull, or

(c) Excluding any mileage, which is fully claimable on top of the basic allowance.

The information gathered and presented below is therefore a guide to show broadly how Solihull compares to this benchmarking group.

4.6 Solihull's 2020/21 basic child allowances compared to ten of the other 14 West Midlands Authorities is as follows:

<b>2020/21 Child Allowances</b> (£ per child per week)		<b>West Midlands Benchmark Group</b> (Ten Authorities including Solihull)		
<b>Age Category</b>	<b>Solihull</b>	<b>Min</b>	<b>Max</b>	<b>Average</b>
0 - 4 years	152.06	117.00	152.06	137.50
5 - 10 years	173.21	127.50	173.21	153.73
11 - 15 years	215.63	164.00	215.63	192.73
16 - 17 years	262.30	191.00	262.30	229.84

Solihull's 2020/21 child allowances are well above the average paid across all child age categories; Solihull ranked as the highest payer in all of the four categories based on the information returned in the benchmarking exercise.

- 4.7 Taking all of the above into account, an increase of 2.0% on allowances for Solihull for 2021/22 is recommended. This 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. Under this recommendation, Appendix B sets out the Guidance for Foster Carers on appropriate use of the Fostering Allowance in 2021/22 for approval. Further, the detailed proposed 'Financial Support for SMBC Foster Carers 2021/22' is set out at Appendix C for approval.
- 4.8 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.

## Foster Carer Fees

- 4.9 Fee comparison is difficult to assess due to the significantly differing fee schemes that Local Authorities offer. Different Authority fee schemes depend upon a number of factors including:
- (a) Carers skills levels;
  - (b) Child age,
  - (c) Number of children placed.
- 4.10 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:
- Fees ranged from £0 to £270 per week;
  - The lowest fee offered by Authorities was £19 per week on average;
  - 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. This survey was not conducted in 2018/19 or 2019/20, with The Fostering Network choosing to focus on the 28 Local Authorities who have paid below the DfE national minimum allowance within the last five years, Solihull were not part of this survey.
- 4.11 Solihull's 2020/21 estimated increase to fees was 2.00%, however, the actual increases in the pay award for Solihull staff in 2020/21 was 2.75% (Agreed September 2020).
- 4.12 Following the Government spending review in November 2020, Solihull's latest MTFs shows that it is unlikely for Solihull staff to receive a pay award for 2021/22. Although Foster Carers are not paid employees, the Foster Network recommends that Local Authorities increase foster fees in line with pay awards for staff.
- 4.13 Given the continued hard work of our carers and their dedication to improving the lives of Children Looked After in Solihull, we are recommending that the level of all fostering fees are therefore increased by 0.75% for 2021/22 to reflect the difference to the 2020/21 pay award to staff above the previous estimation of 2.0%.
- 4.14 It is anticipated that given the COVID-19 pandemic, all Public Sector workers will receive a pay freeze in 21/22; this will come into effect for our carers in 22/23. However, if during 2021/22 SMBC staff do receive a pay award; we will at that point take a decision to review the pay award increase for foster carer fees.
- 4.15 The detailed Fostering Fee Scheme has been updated to reflect the proposed 0.75% increase and is set out at Appendix D for approval.

## **‘Supported Lodgings’ and ‘Staying Put’ Payments**

- 4.16 In the November 2018 Local Offer Report an increase to supported lodging and staying put payments was agreed, having carried out benchmarking.
- 4.17 An increase of 1.38% is therefore recommended for 2021/22 in order to continue to keep these payments in line with the mix of child foster allowance increase, 2.00% and the fee increase for foster carers, 0.75%. This increase will be applied to the young person contribution element of this payment also. This replicates the treatment for the last five financial years.

## **Personal Allowance for Young People living independently or semi independently**

- 4.18 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.
- 4.19 In accordance with the decision made by cabinet in Nov 2018:
- (a) The level of the Personal Allowance for our 16 and 17 year olds keeps track with the inflationary increases applied to the foster allowances. However should a future revision to the Universal Credit, or equivalent benefit, increase beyond the latest Personal Allowance level for 16 and 17 year olds, the Personal Allowance will revert to that higher, Universal Credit rate at this point in time we do not know the Universal Credit rates for 2020/21 and are therefore recommending a 2.0% increase in 21/22 as set out in Appendix A.
  - (b) In the context of managing young people expectations and journey to independence, the level of the Personal Allowance for 18+ young people remains at the Universal Credit level and continues to tracks that rate over time. At this current time no increase has been indicated by Central Government and so a 0% increase is reflected in Appendix A. However, during the COVID crisis an increase of additional £20 has been made on top of this payment to help care leavers who would otherwise be accessing Universal Credit.

## **Charges to other Local Authorities**

- 4.20 This is an immaterial part of our business, as numbers are very small and only in exceptional circumstances. In order to ensure that we continue to recover costs we are proposing an increase based on a mix of average fees and allowances of 1.38%.

## **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 will, in all likelihood, 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 2021/22 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.
- 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 How the proposals in this report contribute to the delivery of Council Plan priorities:

Priority:	Contribution:
Securing inclusive economic growth.	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 are able to 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.
Planning & delivery for Solihull's low carbon future (to include biodiversity implications).	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.
Managing demand and expectation for public services.	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.
Developing our approach to services for adults and children with complex needs.	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 a part of continuing our delivery of that strategy.

<p>Making the best use of our people and physical assets.</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>
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## 6.2 Consultation and Scrutiny:

- (a) In lieu of the Solihull Foster Carer Association not meeting in 2020/21 due to the COVID-19 pandemic, we reached out to a small number of foster carers for their views and they have endorsed these proposals.
- (b) These proposals have not been considered by Scrutiny Board.

## 6.3 Financial implications:

- (a) The details of all Solihull's relevant fees, allowances and charges are set out at Appendix A, along with the current rates and the proposed rates.
- (b) For Unaccompanied Asylum Seeking Children (UASC) the recommended proposals contained in this report will cost £1,240 in total per annum. This minimal additional cost will need to be managed within the overall UASC cash limit for 2020/21.

For Local Children's Placements, the costs and income being considered in this report form part of the Children's Placements budget, which also includes External Residential Placements, External Foster Placements, 16+ Accommodation and other Care Experienced Young People's costs.

The cost of these proposals for Local Placements is estimated at £46,580 based on current activity levels. This is fully funded within the inflation allocation allowed in the Medium Term Financial Strategy (MTFS).

- (c) 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. Going forward our continued focus is on maintaining a strong percentage of foster placements that are internal foster placements. It is more cost effective, approximately £397 per week per placement<sup>1</sup> (equivalent to £20,700 per annum), for Solihull to have internal foster placements rather than external.

6.4 Legal implications:

- (a) The proposals are within the legal and statutory guidance framework.

6.5 Risk implications:

- (a) 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.
- (b) In relation to other local authorities, the majority of those contacted are still determining their approach for 2021/22. However, the 2021/22 approach for Solihull, that we are proposing, is in line with the 2020/21 and prior year benchmarking analysis that we have been able to undertake.

6.6 Equality implications:

- (a) 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.

**7. List of appendices referred to**

- 7.1 Appendix A - Children's Fees, Allowances, Payments and Charges 2021-22.
- 7.2 Appendix B - Guidance for Foster Carers 2021-22
- 7.3 Appendix C - Financial support to Foster Carers 2021-22.
- 7.4 Appendix D - The Fostering Fee Scheme for SMBC Foster Carers 2021-22.

**8. Background papers used to compile this report**

- 8.1 None

**9. List of other relevant documents**

- 9.1 N/A

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<sup>1</sup> Based on Draft SMBC 2020 CIPFA (Chartered Institute of Public Finance and Accountancy) Benchmarking submission