

**Report of Director of Children's Services**

**Report to Executive Board**

**Date: July 17<sup>th</sup> 2013**

**Subject: Investing in looked after children - Part A kinship care, foster care and adoption services.**



Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

A key priority for Leeds City Council as a Child Friendly City is to ensure that children can be brought up safely by their birth parents or within their wider extended family network. Where this is not possible then it is essential that there is an appropriate range of placements available to meet the individual needs of children.

Four strands of work have recently been undertaken culminating in a range of proposals to enhance the provision of locally based placements for looked after children. These are:

- A review of in-house fees and allowances for foster carers, special guardians and adopters which has identified how fees and allowances may be improved to support and enhance the role of carers.
- A review of the policy for supporting informal kinship care arrangements which has identified proposals to engender a strengthening families approach to prevent children from entering care when they can be safely cared for within the wider family network.
- A review of the Adoption Service which has identified proposals to equip the service to recruit sufficient adoptive parents and ensure that children are placed for adoption in a timely manner
- A review of the in-house residential service has been completed and a strategy developed to deliver outstanding children's homes which are child centred and outcome focused, appropriately resourced and in good condition. These homes will be well managed and appropriately staffed with established training and development

programmes in place. The details of the residential strategy are addressed in a separate report to be presented to the Executive Board today.<sup>1</sup>

This report will discuss an improved financial support structure which, when combined with the recently agreed corporate offer for foster carers, will give Leeds a unique offer to foster carers combining excellent high quality professional support, a clear fee structure and corporate recognition of the important role that foster carers play in caring for vulnerable children in the city. This will enable the council to be robust and competitive with neighbouring local authorities and Independent Fostering Agencies in recruiting and retaining foster carers.

This report will also discuss the importance of supporting informal kinship carers. Research has highlighted that kinship placements deliver better outcomes for most children. However, it is essential that kinship carers receive the support that they need to carry out their role. The Leeds offer to kinship carers has been reviewed and strengthened to increase the support to informal kinship carers.

## Recommendations

This report recommends that Executive Board agree to the following proposals:

- An increase in foster carer allowances to 90% of Fostering Network recommended rates from October 1<sup>st</sup> 2013 and to 100% from April 2014. This will cost an estimated cost of £0.38m in 2013/14 and £1.85m in 2014/15
- Restructure foster carer fees making them simpler to administer and more transparent at an estimated total cost of £0.39m in 2013/14 and £0.79m in 2014/15.
- Future increases in allowances to foster carers are benchmarked to Fostering Network minimum rates.
- To provide a range of additional support to informal kinship carers, as outlined in this report
- To support a range of proposals, set out in the body of this report, to improve the recruitment of adopters and speed up the adoption process at an estimated cost of £1.58m in 2013/14 and £1.62m in 2014/15.

The estimated total cost of these proposals to improve local provision for looked after children is £2.10m in 2013/14. This includes anticipated savings of £0.25m, which will be achieved through accelerating the adoption process. These costs will be met from the Adoption Reform Grant (£0.63m) and provision in the base budget (£1.09m).

The estimated cost of the proposals in 2014/15 is £3.55m. The costs will be met by £1.72m of funding from the Adoption Reform Grant and of £1.83m, which will have to be managed within the 2014/15 budget strategy. However, these costs need to be viewed within the wider context of the Turning the Curve and Budget Plus strategies for Looked after Children, which set out how the number of looked after children will be safely and appropriately reduced. The strategy has already reversed the trend of increasing expenditure on looked after children and it is anticipated that changing the pattern of care for looked after children will result in significant savings by 2016/17. Supporting children to remain within their wider families, where it is safe and appropriate to do so and recruiting and retaining sufficient Leeds foster carers to offer placement choice is essential is the strategy is to be achieved.

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<sup>1</sup> Investing in looked after children – Part B residential child care provision

## 1 **Purpose of this report**

- 1.1 To seek agreement to a range of proposals intended to enhance the provision of locally based placements for looked after children. These include an increase of allowances and fees to foster carers; the strengthening of our informal kinship care strategy and the proposals as set out in the adoption reform grant.

## 2 **Background information**

- 2.1 Following the Inspection of Safeguarding and Looked After Children services in 2009 there was a significant rise in the number of children requiring Independent Fostering Agency placements. These placements do not result in improved outcomes for children and, despite increased costs, opportunities for effective use of the range of multi-agency resources available in Leeds are lessened. Some children will always benefit from highly specialist resources or require placement other than in Leeds, but the vast majority of our children benefit from good quality in-house placements with Leeds foster carers.
- 2.2 Since 2007/08 the average cost of looked after children in Leeds has risen from £23k per looked after child per annum to £35k in 2012/13. This is largely due to the changing mix of placements and in particular to a substantial increase in the number of children and young people cared for within external placements, through Independent Fostering Agencies and external residential provision. In April 2009, 67 looked after children were placed with Independent Fostering Agencies rising to 314 by 31st March 2012. This represents an increase of 247 Independent Fostering Agency Placements.
- 2.3 However, as a result of work undertaken by Children's Services to increase recruitment of foster carers there has been a reduction in the number of children placed with Independent Fostering Agencies. By the 31st March 2013 the number of looked after children placed with Independent Fostering Agencies had fallen to 303 and at 30<sup>th</sup> June 2013 the number had further reduced to 281. Further reductions are anticipated in July/August 2013 as it is projected that a further 14 Independent Fostering Agency carers will move over to become foster carers for Leeds.
- 2.4 As can be seen from Figure 1 below this reverses the adverse placement trend of the last four years.

## INDEPENDENT FOSTERING AGENCY PLACEMENTS APRIL 2009 TO JUNE 2013

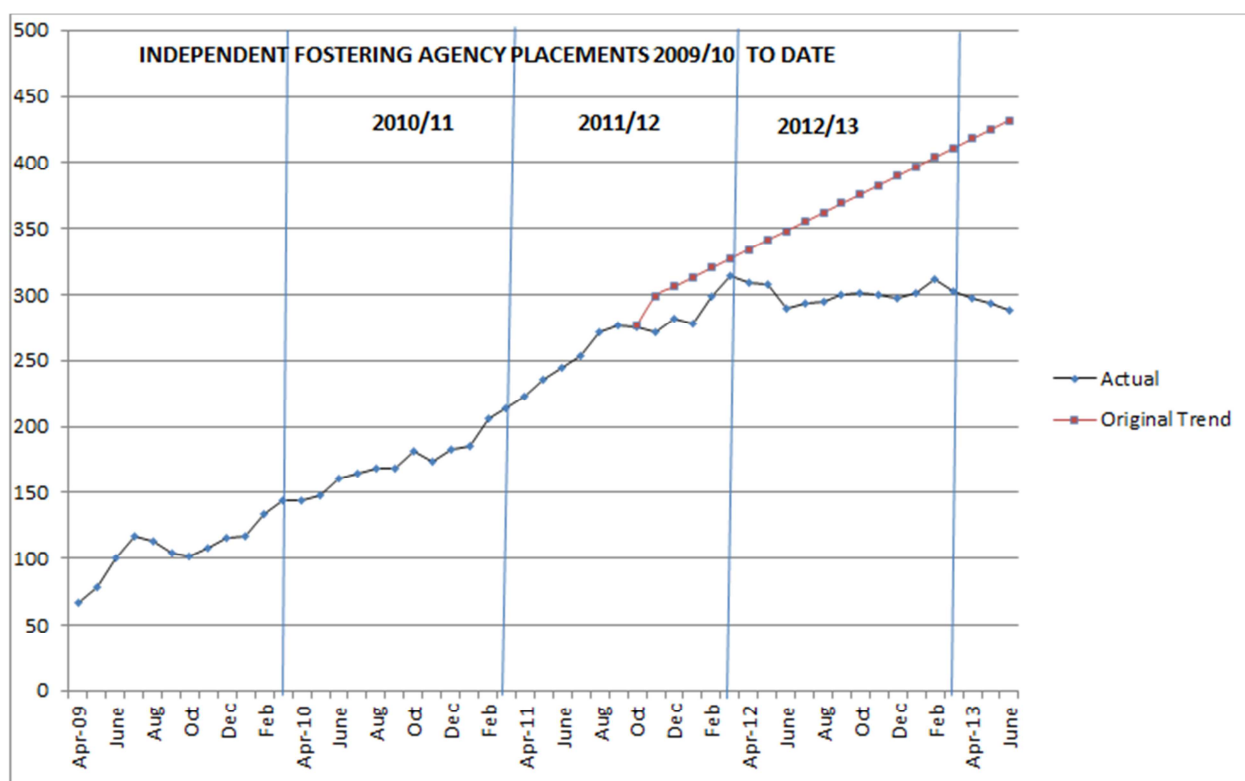


Figure 1

- 2.3 Children's Services are committed to delivering on our looked after children Obsession and associated 'Turning the Curve' strategy to safely and appropriately reduce the number of looked after children in Leeds.
- 2.4 The 'Turning the Curve' strategy has a number of elements. It recognises the need to increase the capacity of preventative and early intervention services, including Family Group Conferencing in order to reduce the need for statutory intervention in the lives of children and families. By investing a further £0.7m into family group conferencing the Service intends to ensure that by the end of 2013/14, in all cases where there is a possibility that a child could be removed from the care of their family, a Family Group Conference will be held with the aim of supporting children to remain within their families and prevent the need for them to become looked after.
- 2.5 In 2012/13 the overall number of looked after children in Leeds fell from 1,475 (31<sup>st</sup> March 2012) to 1,373 at 31<sup>st</sup> March 2013). This trend has continued and on the 5<sup>th</sup> of July there were 1,365 looked after children. Children's Services have undertaken considerable work to understand the pattern of looked after children and to develop a strategy to ensure that there is an appropriate range of high quality local placement to meet the needs of children who may need to be looked after children. The work done to project the likely scale of demand for placements in the medium term suggests that by 2016/17:
- Around 60% of looked after children will be aged under 10

- More children will be placed with kinship carers
- More level 2 carers will be needed to meet the needs of less complex children aged under 10
- Fewer children will require residential provision but those that do will have quite complex needs. Consequently, residential provision within Leeds will have to be based around small bespoke residential provision which will be able to be more responsive to the needs of individual children.

### 3 Main Issues

#### 3.1 Review of Foster Carer Fees & Allowances

- 3.1.1 As a result of improvements in the service the recruitment of mainstream carers has increased from a net *loss* of carers in 2011/12 to a net gain of 24 in 2012/13. It is anticipated that an additional 50 carers will be recruited in 2013/14.
- 3.1.2 The timeliness of responding to expressions of interest to foster care has improved and the time taken to assess carers approximately halved; from 32 weeks to 16 weeks.
- 3.1.3 Along with improvements in the assessment process, the new fostering and adoption website, improved marketing and the introduction of a 'corporate offer' have contributed to a record number of foster carers moving over from other agencies. Between January to May 2013 circa 20 Independent Fostering Agency carers became carers for Leeds City Council.
- 3.1.4 The above progress is encouraging. However, to reduce our reliance on Independent Fostering Agencies it is essential that momentum in attracting new carers is maintained; particularly as around 28% Leeds foster carers are aged over fifty and may retire over the next five years.
- 3.1.5 The review of fees and allowances has been undertaken to support the retention of existing carers and the recruitment of new carers.

#### 3.2 Allowances

- 3.2.1 Over the past year the service has been working closely with foster carers to review the fees and allowances paid to them to support children to achieve the best possible outcomes. Through consultation and discussion with foster carers, including the Leeds Foster Care Association and the Grandparents Association, carers overwhelmingly stated that from their perspective, additional allowances to fund the direct care of children remained their first priority.
- 3.2.2 The Leeds' allowances meet the Department for Education recommended minimum rates. However, the current rates are only between 80% and 87% of the age-based minimum rates set by the Fostering Network (see Appendix 1). This rate, set by the Fostering Network, the UK's leading charity for foster care, is the rate preferred by foster carers and one to which the majority of local authorities aspire to. Only 37% of local authorities nationally have achieved this rate, so paying foster care allowances at this rate would be a significant achievement and would support our ambition to be a child friendly city.

3.2.3 The review therefore recommends that we raise allowances to Fostering Network rates in two stages – 90% from October 2013, 100% from April 2014. This would improve the quality of life for children as this allowance is directly linked to their care and would place Leeds with those Local Authorities that have realised this ambition.

### 3.3 Fees

3.3.1 The second issue the review has addressed is the fees paid to carers in recognition of the skill they have and the tasks undertaken. Restructuring of the fees makes a significant contribution to consolidating the progress made in creating in house resources and retaining these valuable resources.

3.3.2 The review therefore recommends:

- Increasing Level 2 fees for a carers first & second placement from £100 and £50 to £120 for the first two placements per week and £60 for the third placement; increasing Level 3 fees for a carers first & second placement from £150 to £170 per week and £75 for the third placement.
- realigning Level 4 fees to £220 per week from £261 to week for the first child but removing the sliding scale to mirror levels 2 and 3 (hence increasing the fee paid for the second child to £220);

3.3.3 It is proposed to include payment protection for Level 4 carers with only one child as they would lose out financially in the new structure.

3.3.4 The estimated cost of the proposals for fees and allowances is **£0.77m** in 2013/14 and **£2.63m** in 2014/15 (see Appendix 2).

### 3.4 Kinship Care

3.4.1 The majority of informal kinship arrangements work well and meet the needs of the child with the support of universal agencies. It is important, however, that any difficulties are responded to early. The review of the policy and strategy for supporting informal kinship arrangements was undertaken with the following premise:

- Families may need advice and assistance during the early stages of considering whether to care for a relative or a friend's child, in order to weigh up the options and to consider what support they might require.
- Partner agencies have a key role to play in identifying and supporting children who are living with family and friends carers.
- Services need to be aware of, and sensitive to, the needs of children and their families in kinship arrangements and give priority access to services (in the same way as looked after children) for housing, education and health.
- Early intervention, underpinned by a Common Assessment Framework (CAF), may help prevent difficulties escalating to the point where specialist services are required.

3.4.2 The proposed policy regarding informal kinship carers will ensure the following:

- Support and advice will be offered to kinship carers to access support from universal services and welfare benefits within Targeted Services.
- Where a child is assessed as a child in need a range of support will be available to kinship carers including financial assistance in order to provide basic equipment.
- Where the child is at serious risk of harm and longer term support is required to maintain the child in the informal kinship placement as an alternative to care, Children's Services will, subject to a financial means test, support the carer financially. This will be based on the age-related fostering allowance payable to children who are 'looked after' as described earlier in this report.

3.4.3 Children's Services are looking to develop three specialist teams in the city to work alongside the informal kinship foster care team to develop specialist advice, consultancy, training and support to informal kinship carers and to work with external partner agencies and third sector agencies to ensure that kinship carers and their children are properly supported at a local level.

3.4.4 It is anticipated that the above proposals will be cost neutral as costs are diverted from looked after children placement budgets to section 17 and other budgets.

### **3.5 Adoption**

3.5.1 Children's services are committed to placing children for adoption in a timely manner as set out by the government reform agenda which aims to increase the supply of adoptive families nationally, reduce the backlog of children waiting for adoption and speed up the adoption process generally. The government has allocated Leeds £2.63m of Adoption Reform Grant of which £0.63m remains uncommitted (£2.0m of the grant having been allocated to maintain existing services as part of the 2013/14 budget strategy).

3.5.2 In November 2012 the DfE introduced the 'Adoption Scorecard' to facilitate inter authority comparison of adoption performance. The scorecard is used to report local authority data against 2 key indicators as follows:

1. the average time taken from the point at which children enter care to the point at which they move in with their adoptive parents (based on a 3 year moving average)

AND

2. The average time taken to match children to an adoptive family (again based on a 3 year moving average)

3.5.3 For indicator 1), the Leeds 3 year moving average for the period 2009-12 is 565 days. This represents an adverse movement of 34 days from the previous scorecard data (2008-11) but a favourable variation of 74 days from Government's threshold for 2010 -13 (639 days).

3.5.4 For indicator 2) above, Leeds' 3 year moving average for the period 2009- 2012 was 212 days. This again represents an adverse movement of 39 days from the previous scorecard data and is only marginally better than Government's threshold for 2010-13 of 213 days.

- 3.5.5 This deterioration in performance is a concern, particularly in light of Government's challenge to local authorities to significantly reduce adoption timescales over the next 3 years. By 2016, Government's thresholds for indicators 1) and 2) above reduce substantially to 426 days and 121 days respectively. Significant improvement is needed.
- 3.5.6 It is likely that the deterioration in time-scales is primarily the result of increased demands on the Adoption Service stemming from the substantial increase in the number of babies and very young children that have entered care, particularly over the last 2 years. We know that a great many of these children come from families with severe problems around substance (drugs/alcohol) misuse, mental health and domestic violence and adoption is often the most appropriate and cost efficient route out of local authority care for these children.
- 3.5.7 It is also worth noting that the new single inspection regime for Looked After Children and Safeguarding services which is due to commence in September 2013 will include Adoption Services

Table 3.1 below shows adoption activity in Leeds over the last 5 financial years:

**TABLE 3.1: ADOPTION ACTIVITY LEEDS APRIL 2008 to APRIL 2013**

	2012/13	2011/12	2010/11	2009/10	2008/09
Children Accepted for Adoption	182	129	103	90	72
<i>Percentage BME</i>	22%	18%	18%	22%	21%
Approved Adopters	74	43	36	35	47
<i>Percentage BME</i>	12%	11%	19%	20%	19%
Children Matched with Adopters:					
Interagency	18	22	14	2	9
Consortium – LA	9	5		3	12
Consortium – VA	7	3			
Local Authority	10	15	10	3	1
Total Inter Agency	44	45	24	8	22
In-House	72	41	33	55	43
Total Children Matched	116	86	57	63	65

- 3.5.8 Over the last 5 years Leeds has experienced significant year on year increases in the number of children accepted for adoption; in 2012/13 a total of 182 children were accepted for adoption in Leeds, up 41% from the previous year (129) and up 153% on the number of children accepted for adoption in 2008/09 (72). This is consistent with the changing age profile of children entering care in Leeds and, specifically, the increasing trend of babies and very young children entering care since 2008.



- 3.5.9 The number of children matched with prospective adopters through interagency arrangements in 2012/13 (44) and 2011/12 (45) is now double the number of children that were matched via interagency arrangements in 2008/09 (22). This has resulted in a significant increase in spend on interagency adoptions in both of the last two financial years.
- 3.5.10 However, despite the recent success in recruiting more adoptive families there are still currently 154 looked after children that are waiting to be adopted. Of these 154 children, 97 are under 2 years of age and the oldest child currently awaiting adoption is 8 years of age.
- 3.5.11 It is estimated that the weekly placement costs for the 154 children awaiting adoption currently totals circa £71k per week or £460 per child per week (based on an average unit cost of £700 per week for those children placed with Independent Fostering Agencies and £300 per week for those children placed with in-house foster carers)
- 3.5.12 Depending upon the success of the expanded Family Group Conferencing and other preventative services, current forecasts indicate that between 250 to 300 babies (under 1 year of age) and 180 to 220 young children (aged 1 to 4) will enter care over the next two financial years. Demand for adoptive placements is therefore likely to remain relatively high (ranging between circa 120 and 160 adoptive placements per annum over the next two years).
- 3.5.13 Therefore, there is a clear need for additional investment into the Adoptions Service, both to meet the additional activity demands placed on the service in recent years and to respond to the Government's agenda for structural reform to adoption to speed up the process
- 3.5.14 Appendix 2 outlines the proposed additional investments into the Adoptions Service which total £1.58m in 2013/14 with a full-year implication of £1.62m. This additional investment will support the service to meet both the Government's challenging adoption targets and the increasing local demands on adoption services driven largely by the changing profile of children entering care.
- 3.5.15 By facilitating the recruitment of more adopters and speeding up the assessment and matching processes, it is anticipated that this additional investment into the adoption service will generate savings of circa £700k per annum (full year) with a potential part year saving of around £250k in 2013/14. These savings are in addition to 'Turning the Curve' savings already included within Looked After Children's external placements budgets.

## **4.0 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The Fees and Allowances steering group that undertook the review included Foster Carer representation from all fee levels, including a kinship carer. The review has also engaged with foster carer representation via the Leeds Foster Carer Association (LFCA) and through foster carer support groups. The Deputy Director has attended the 'All Carers' and LFCA meetings regarding financial support for foster carers and a large scale survey of foster carer views on support issues concluded in 2012.
- 4.1.2 Foster carer's both in the survey and via the review group, have consistently advocated raising of allowance levels to Fostering Network rates as the most equitable way of benefiting carers in their efforts to support vulnerable looked after children.

- 4.1.3 The Chair of the LFCA states: “We have welcomed the approach taken by the review and how the service has worked in partnership with carers. As a result this structure will ensure that vulnerable children in Leeds will get the support they need and recognises the important role that carers play. The new structure, the corporate offer for carers and the support provided makes Leeds attractive for foster carers.”
- 4.1.4 Kinship carers have been consulted regarding the review of the policy and agree with the review recommendations. They continue to be consulted regarding the development of the support to informal kinship carers.

## **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 Increasing allowances equally benefits all foster carers irrespective of their fee level. An equality impact screening report is attached to this document (See Appendix 3)

## **4.3 Council policies and City Priorities**

- 4.3.1 Improving the recruitment and retention of foster carers and the children’s homes strategy meets the aspiration to be the UK’s best city and most child friendly city.
- 4.3.2 The strategy will enable a reduction in the dependence on expensive out of city placements in both fostering and residential provision and will provide better quality of provision for children, improving their outcomes.
- 4.3.3 The focus on informal kinship care will enable the service to support families and safely and appropriately reduce the numbers of looked after children.

## **4.4 Resources and value for money**

- 4.4.1 The estimated additional cost of the proposals in 2013/14 is £2.35m, reducing to £2.10m after taking account of anticipated savings of £0.25m from accelerating the adoptions process. This is set against £1.72m of funding available from Adoption Reform Grant (£0.63m) and base budget (£1.09m).
- 4.4.2 Circa £0.84m of the £2.35m additional spend is demand led and is required simply to maintain inter agency adoptions and Special Guardianships. This spend is already reflected within Children’s Services in year financial projections. Agreement to these proposals would not therefore result in any deterioration in the current years financial projections.
- 4.4.3 The estimated net additional cost of the proposals in 2014/15 is £3.55m, which it is assumed will again be set against circa £1.72m of funding, leaving a balance of £1.83m to be managed within the 2014/15 budget strategy.
- 4.4.4 A full breakdown of the costs of the proposals is included at Appendix 2

## **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 This report is subject to Call In.

## **4.6 Risk Management**

- 4.6.1 The need to recruit and retain carers is crucial within a competitive environment and not improving in-house fees and allowances and our offer to informal kinship carers is likely to have a detrimental impact on our ability to recruit sufficient carers to meet placement demand. This would be detrimental to our aim of reducing the use of Independent Fostering Agency placements.
- 4.6.2 It must also be recognised that the ability to deliver on this strategy may be impacted by a number of factors which are external to the control of the local authority. These include changes in legislation, demographic changes, the impact of a national child care tragedy such as the death of Peter Connolly.
- 4.6.3 Although government guidelines on Adoption Reform acknowledge the scale of the challenge for local authorities and set adoption targets up to and including 2016, the Department for Education have confirmed that the Adoption Reform Grant itself will not continue beyond 2013/14. Further guidance has therefore been sought as to whether the funding will continue in some other form (in whole or in part) in order to assist local authorities to sustain their improvement plans. This therefore represents a key financial risk.

## **5.0 Conclusions**

- 5.1 The report has highlighted the changing profile of children likely to be looked after in Leeds.
- 5.2 The report sets out a range of actions that will improve provision for children who cannot remain with their birth parents. These include strengthening the support available to kinship carers, enhancing the fees and allowances paid to Leeds Foster Carers and developing smaller, more specialist residential provision.
- 5.3 The investment in fees and allowances to carers provides a strong corporate message of support to foster carers who have worked in partnership with the service in this development. Ensuring that an increase to the minimum Fostering Network allowance rates by April 2014 and then benchmarking against the Fostering Network rate going forward helps to achieve the ambition to be the best city in the country for children.
- 5.4 The review of the strategy and policy to support kinship carers is a crucial part of the strategy to safely and appropriately reduce the numbers of children in care and improve outcomes for vulnerable children.
- 5.5 The adoption reform grant has been provided to local authorities to ensure that capacity is provided to continue to find appropriate adoptive families for children. A detailed report regarding the Adoption Reform agenda is set out in Appendix 1.

## **6.0 Recommendations**

- 6.1 This report recommends that Executive Board agree to the following proposals:
- to increase foster carer allowances to 90% of Fostering Network recommended rates from October 1<sup>st</sup> 2013 and to 100% from April 2014 at an estimated cost of £0.38m in 2013/14 and £1.85m in 2014/15
  - to restructure foster carer fees making them simpler to administer and more transparent at an estimated total cost of £0.39m in 2013/14 and £0.79m in 2014/15 .
  - to benchmark future increases in allowances to Fostering Network minimum rates.

- to provide a range of additional support to informal kinship carers (cost neutral)
- to support a range of proposals intended to improve the recruitment of adopters and speed up the adoption process at an estimated cost of £1.58m in 2013/14 and £1.62m in 2014/15.
- The estimated cost of the above proposals in 2013/14 is £2.10m after taking account of anticipated savings of £0.25m from accelerating the adoptions process. This is set against £1.72m of funding available from the Adoption Reform Grant (£0.63m) and base budget (£1.09m).
- The estimated cost in 2014/15 is £3.55m which it is assumed will again be set against circa £1.72m of funding, leaving a balance of £1.83m to be managed within the 2014/15 budget strategy. This needs to be seen within the context of the Budget Plus strand for looked after children and the delivery of gross savings of £20m by 2016/17.

## **7. Background documents**

7.1 None

<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.