

Recommendation to increase levels of Fee and Maintenance payments to Leeds Foster Carers and agree ongoing process for annual review.

Date: 7th February 2024

Report of: The Director of Children & Families

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report sets out recommendations for providing an uplift in the weekly fees and maintenance allowances paid to Leeds foster carers to ensure that the cost-of-living increases do not disadvantage and impact negatively on Leeds foster carers.

Our Corporate Parenting Strategy for Leeds sets out our vision that Leeds children will be supported to live within families when they require local authority care and that we will provide a range of fostering placements to meet our children's needs. Our ambition is to provide a family setting for all children in our care where this is identified as in the child's best interest. To achieve this, it is essential that we maintain and extend our Fostering4Leeds community.

Leeds has a high number of approved foster carers and households when compared against other local authorities. We know that our success is due to our ongoing commitment to provide an overall package of support, enrichment and remuneration to both maintain and attract more carers to join our fostering community.

The strength and success of our Fostering Services and the quality of our carers was highlighted in our last Ofsted Inspection which rated our services for Looked After Children as Outstanding stating "*Children live with skilled foster carers who have been thoroughly assessed and well trained. Foster carers provide consistent nurturing care which supports children to make progress.*"

The report also sets out a proposal in future years for approval of an annual uplift to be delegated to the Director of Children and Families, in consultation with the Executive Member for Children's Social Care and Health Partnerships, in order to expediate what is a regular annual process.

Recommendations

- a) Executive Board agree a 5% increase for the fee element paid to Leeds foster carers, to be implemented retrospectively from the 1st April 2023.
- b) Executive Board agree a 7% increase for the maintenance allowance element paid to Leeds foster carers, to be implemented retrospectively from the 1st April 2023.
- c) Executive Board agree that, given the need to review annually foster career fees and allowances that approval for subsequent year's changes in fee levels be delegated to the Director of Children and Families, in consultation with the Executive Member for Children's Social Care and Health Partnerships, the Deputy Leader and Executive Member for Resources and the Chief Officer, Financial Services.

What is this report about?

- 1 This report seeks approval from the Executive Board to implement an annual uplift in fee and allowance payments for Leeds Foster Carers and Connected/Kinship carers.
- 2 Our capacity to care for children looked after by the local authority in Leeds is underpinned by the success of our fostering community in and around the city. Our fostering services supporting Leeds Carers ensure that we are best placed to meet the needs of most children who are required to live away from their birth parents and be cared for in loving family settings. In order to ensure that we can sustain and build on our capacity to meet the increasing demand of children requiring foster care our services must remain competitive against often very high cost private and independent fostering agencies.
- 3 The increase in the cost-of-living pressures have of course had a significant impact on all households and has provided a significant strain across our fostering and Connected/Kinship carer communities.
- 4 A review of policy arrangements relating to the application of fees and allowances for foster carers was undertaken in October 2022 and at that time changes to the levels of fees and allowances were approved retrospectively whilst at the same time providing a refreshed policy position. This report builds upon that agreed position and the Fostering Service and Executive Member for Children's Social Care and Health Partnerships has engaged with foster carers over the past 12 months to review the current financial level of fees and allowances and this report seeks approval to implement an annual uplift, which will be backdated to 1st April 2023.

Drivers for the proposals

- 5 The key drivers for these proposals are:
 - a) To meet the increased costs associated with providing care for a foster child in the current cost of living crisis.
 - b) To maximise our potential to recruit, avoiding unnecessary high-cost externally commissioned provision
 - c) To ensure that Leeds maintains and increases its capacity to provide care for Leeds children within our fostering community and avoid children being placed outside Leeds in high-cost independent arrangements.

An uplift in Maintenance Allowance and the Fee Element.

Maintenance Allowances:

- 6 Maintenance allowance is the weekly amount paid to all carers to meet costs associated with maintaining a child in the carer's family. The Maintenance Allowance is set to provide carers with the means to meet costs associated with accommodating the child/ren in the carer's homes including clothing, food, entertainment, and pocket money costs etc.

Fee Element:

- 7 The fee element is considered the 'reward' element of payment. This is paid weekly to some of our carers and is based on their assessed and agreed skill level following the Payment for Skills practice model, widely used across the sector.
- 8 Carers are currently assessed as being at Level 2, 3 and 4 skill levels (further work on a higher level is underway). Payment is further differentiated depending on whether it is for the first, second and third child placed. This has been an extremely successful model for Leeds and has supported carers to maximise their capacity to accommodate children for the authority.
- 9 In reviewing and benchmarking our remuneration to carers for the fee element we understand that increasingly fees are in fact the primary source of income for many fostering households.
- 10 An options appraisal has been undertaken which has considered the overarching cost of living crisis, inflationary impact in the general economy, views of foster carers and the need to ensure that foster carers are continued to be supported in order to avoid higher costs of interventions for children looked after, including the higher cost of Independent Fostering Agencies and residential placements.
- 11 This review considered a range of potential uplifts and settled on an optimum outcome of a 5% increase for the fee element and a 7% increase for the maintenance allowance element. Both elements cover the entire financial year and therefore need to be backdated to 1st April 2023.

The consideration of annually reviewing fees and allowances for foster carers is now well established and takes place each year. It is therefore felt prudent to request that for the financial year commencing 1st April 2024, that approval for the annual review process be delegated to the Director of Children and Families, in consultation with the Executive Member for Children's Social Care and Health Partnerships, the Deputy Leader and Executive Member for Resources and the Chief Officer, Financial Services.

What impact will this proposal have?

- 12 The recommendations set out in this report have been developed following ongoing consultation with our carers. Fee's paid to those covered by this policy support both them and allowances paid support the Children Looked After that they are caring for. Not making this increase will have a detrimental effect on carers overall financial wellbeing and on the resources we make available to care for our children.
- 13 An Equalities Screening document has been undertaken as set out in the Appendix to this report. Whilst the recommendations for the Executive Board do not raise any existing or likely differential impact for the different equality characteristics stated in the screening tool, it should be noted that our ambition for children in Leeds cared for by the local authorities is to ensure that they are provided with the equal right to live in a family setting where it is assessed as appropriate for them to do so.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 14 The proposals set out in this report support both our Best City Ambition pillars around Health and Wellbeing and Inclusive Growth and Children and Families Service ambition to be the best city for children and young people to grow up in. We know that when children are supported to grow and thrive within their own communities their outcomes related to health and wellbeing are improved. By improving the capacity of the city to support its children looked after by the local authority within the city, and where possible within local authority support foster carers the authority is better able to maximise its resources.

What consultation and engagement has taken place?

Wards affected: This is a city-wide policy.

Have ward members been consulted? Yes No

- 15 Consultation has been undertaken with the Leeds Foster Carers Association regarding the potential for this year's annual review. The backdrop to this engagement has been the severe financial pressures felt by individual families across the city and of course the Council's own significant financial challenge. The Executive Member for Children's Social Care and Health Partnerships is supportive of the proposal and has led the engagement with the Leeds Foster Carers Association

What are the resource implications?

- 16 The cost of the proposal for 2023/24 is £1.821m. This is accommodated within the Children and Families forecast position for 2023/24, as presented to today's meeting of Executive Board in the regular Financial Monitoring report, but it should be noted that this position is forecasted to be a significant overspend of £39.49m. Included within that paper Executive Board are considering the use of general fund reserves to meet the cost of this proposal and if approved, this proposal will be fully funded for 23/24 and therefore the Chief Finance Officer has confirmed that it will fall within the Budget and Policy Framework.

- 17 Details of the changes to Fees (proposed 5% increase) and Allowances (proposed 7% increase) are below

PFS Level	2022/23 Fee	Proposed 2023/24 fee
1	n/a	n/a
2	128.53	134.96
3	182.09	191.19
4	235.64	247.42

Child Age	2022/23 Allowance	Proposed 2023/24 Allowance
0-4	152.86	163.56
5-10	174.12	186.31
11-15	216.76	231.93
16+	263.69	282.15
Supported Lodgings	201.84	215.97
Rent-a-room	135.89	145.40

- 18 If the fee and allowances increases recommended are not progressed there is a very real risk that foster carers will move to external providers with a potential significant increased cost to LCC. An Independent Fostering Agency (IFA) placement costs on average £446 more per week. If the council no longer had any in-house foster carers then a corresponding increase in IFA placements could cost £181k more per week, £9.4m on a full year basis. It should be noted however that this position would only occur if all current in-house foster carers chose not to continue with supporting Leeds City Council's direct provision of foster carers.

What are the key risks and how are they being managed?

- 19 Not responding to the increased cost of living pressures faced by foster carers is likely to lead to a reduction in the number of carers available to the service. It is also likely to reduce the material standard of living enjoyed by children looked after by Leeds.
- 20 Foster carers are in strong demand. If our financial offer is no longer attractive in the current context, we risk the authority losing carers to private agencies or neighbouring local authorities who have and are responding to the increase in costs to families. A loss of internal foster placements will drive our overall costs up as we source provision from the private sector and reduce the quality of placements for our children.
- 21 By not increasing the fee allowances we risk fewer foster carers being attracted to Leeds at a time when we need to grow our fostering service to respond to the needs of children who need to be in a loving family arrangement when they are unable to live with their own families.

What are the legal implications?

- 22 The Local Authority has a statutory duty to provide sufficient placements to meet the needs of children cared for by the local authority. Whilst this provision can be secured through a variety of providers, the Leeds fostering service provides the majority of placements for children in local authority care and ensures that the authority meets its obligations.

Options, timescales and measuring success

What other options were considered?

- 23 In this scenario the alternative option, to not address the increased costs pressures on fostering households and to maintain a competitive package of support to carers, would place the authority in a vulnerable position with regards to its legal obligations to provide sufficient care and support for children in local authority care. Any decision not to implement these recommendations is likely to result in significant increased financial pressure on the local authority as it would be forced to commission alternative arrangements for children's placements in an high cost independent sector.

How will success be measured?

- 24 The anticipated outcome of implementing these recommendations will be the retention of Leeds foster carers and the increase in successful recruitment of new carers. It should of course be stressed that fee allowances are not the sole driver for foster carers and a desire to provide loving and supporting homes for some of our most vulnerable children remains an overriding priority for most foster carers.

What is the timetable and who will be responsible for implementation?

- 25 The Deputy Director, Social Care, Children and Families is responsible for implementation. Implementation is immediate and subject to agreement, backdated payments will be made prior to the end of the current financial year.

Appendices

Appendix A EDCI

Background papers

None