

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Lead Member for Children's Services
<b>Date of Decision:</b>	11 March 2010
<b>Decision Title:</b>	Foster carer payments
<b>Decision Reference:</b>	1394
<b>Report From:</b>	County Treasurer and Director of Children's Services

**Contact name:** Gordon Shinn

**Tel:** 01962 847545

**Email:** gordon.shinn@hants.gov.uk

#### 1. Executive Summary

- 1.1. This report outlines overpayments that have been made to three individual Friends and Family foster carers, which have been identified following implementation of the changes introduced to skills fee payments in April 2008.
- 1.2. In view of the specific circumstances leading to these overpayments, it is considered that recovery should not be pursued with the foster carers. Approval is, therefore, sought from the Executive Lead Member to write-off these debts.
- 1.3. The individual overpayments amount to £14,291.92, £12,221.10 and £6,406.91, a total of £32,919.93.

#### 2. Contextual information

- 2.1. Hampshire County Council's financial regulations and procedures set out the approvals for debt write-off as follows:
  - Up to £1,000 – County Treasurer to record and write-off
  - Above £1,000 and up to £5,000 – write-off to be agreed in consultation between the Chief Officer and the County Treasurer
  - Greater than £5,000 up to £50,000 – Executive Member approval to be obtained
  - Above £50,000 – Leader approval to be obtained.
- 2.2. Income management ensures that debts are minimised as much as possible and appropriate action to recover debts is taken in all circumstances. Sometimes recovery is not achievable or would involve

disproportionate legal and professional fees and staff time to make pursuit of the debt cost effective.

### **3. Circumstances leading to overpayments occurring**

- 3.1. In April 2008 a new Skills Fee payment model was introduced to reflect changes agreed by the Executive Lead Member as part of the Foster Care investment strategy. This change resulted in County foster carers who were at a skills level, moving from one skills fee payment per household to one skills fee payment per child.
- 3.2. It was agreed that skills fee payments to Friends and Family foster carers and Family Link carers would remain in line with existing arrangements, with no new skills fee payments being agreed i.e. they would continue to receive the weekly amount on a per household basis rather than on a per child basis. A foster carer is categorised as a Friends and Family foster carer where they are either a member of the child's extended family, or a significant adult known previously to the child (i.e. not a stranger foster carer).
- 3.3. Since these changes were introduced it has emerged that three foster carers categorised as Friends and Family foster carers (who were in receipt of a skills fee at the time the changes were implemented), have incorrectly been receiving additional skills fee payments that they were not entitled to. These particular foster carers have fostered for in excess of ten years and, at the time their payment records were set up, there was no mechanism for separately identifying them as Friends and Family carers.
- 3.4. Unfortunately, when the new payment structure was introduced it failed to pick up that they were Friends and Family carers, instead classifying them as County carers, and they were mistakenly paid a skills fee per child placed with them from April 2008 until the point at which the error was discovered. These carers are now being paid the correct amounts i.e. one skills fee per household.
- 3.5. The payment systems subsequently put in place identify new Friends and Family foster carers separately from County carers and a recent review of all skills fee payments has confirmed that there are no other instances of this type of overpayment occurring.
- 3.6. Information provided to the carers at the time they began to foster did not make this distinction clearly for them. As a result, it is considered the carers would not have been in a position to understand what this meant in terms of skills fee payments when subsequent information was sent to them outlining the changes being made and how this impacted Friends and Family foster carers.
- 3.7. Due to the amount of these overpayments, there is concern that any decision to recover these overpayments could place the carers in financial hardship and risk the stability of the current placements, potentially leading to disruption and upset for the children involved. It is, therefore, considered that recovery of these overpayments should not be sought.

#### **4. Subsequent Action Taken**

- 4.1. This error occurred due to historical processes not distinguishing carers as being either a County carer or a Friends and Family carer for the purpose of making payments to them. Several years ago this process was changed and foster carers payment records are now set up to reflect this distinction. The foster care payments system is also set up so that it is not possible to make more than one skills fee payment per household to anyone recorded as a Friends and Family foster carer. Providing carers are categorised correctly, this error should not occur again.
- 4.2. In addition, a summary of weekly payment records are sent to Family Placement teams to provide them with an opportunity to verify that the payments being made to foster carers are correct. This importance of this process has been reinforced to teams, and additional guidance will be provided around the specific issues that teams should be checking for.
- 4.3. It is also proposed that any information or written communications issued to foster carers is reviewed before the beginning of April to ensure that they are clear if they fall in to the category of a Friends and Family foster carer, and the financial implications of this, including outlining the department's policy for recovering any overpayments and their responsibility for advising the department if they are concerned that they are being overpaid.

#### **5. Financial Implications**

- 5.1. The total debt to be written off is £32,919.93. However, as no invoices have been raised to the foster carers in relation to these overpayments, there will be no additional financial impact on the department's budget if these overpayments are written off.

#### **6. Recommendation**

- 6.1. That the Executive Lead Member for Children's Services approves the write-off of the three individual overpayments of £14,291.92, £12,221.10 and £6,406.91.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	Yes
Corporate Business plan link number (if appropriate):	
<b>Maximising well-being:</b>	Yes
Corporate Business plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	No
Corporate Business plan link number (if appropriate):	

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

DocumentLocation

None

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

1.1. Equality and diversity objectives are not considered to be adversely affected by the proposals of this report.

### **2. Impact on Crime and Disorder:**

2.1. Crime and disorder objectives are not considered to be adversely affected by the proposals of this report.

### **3. Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption?
  - No impact
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?
  - No impact