

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date:	23 March 2012
Title:	Fees and Allowances in Respect of Children Supported in Adoption, Family and Friends Care arrangements, Foster Care and Family Link for 2012/13
Reference:	3670
Report From:	Director of Children's Services

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1. Executive Summary

- 1.1. This report outlines the proposals for increasing Hampshire County Council's fees and allowances payable in respect of children who cannot be cared for by their parents and who need to be cared for away from home, and in respect of disabled children who are supported to remain at home, with regular respite care provided by others.
- 1.2. The purpose of the report is to agree the annual increase in fees and allowances in respect of children living away from home and provide some context regarding each of those arrangements.

2. Contextual information

- 2.1. The underpinning philosophy, based upon the Children Act 1989, is that, wherever possible, children should be helped to remain in their own homes with their own parents. Where this is not possible, they should be cared for in their extended families or with adults with whom they are familiar. Wherever possible families should be supported to care for children within their family and friends network without the need for the child to enter the care system.
- 2.2. New statutory guidance was issued to local authorities in April 2011 regarding family and friends care. Local authorities were charged with developing and issuing a family and friends policy by 30 September 2011. This is an overarching policy document that relates to children living away from home with a close relative, extended family members and family friends. The policy recognises that many relatives care for children appropriately and therefore require minimal advice or support from CSD, if

any at all. Private fostering is an area within this policy that is a statutory arrangement and can be financially supported by the local authority. A principle underpinning this new policy is that children should not come into the care of the local authority in order for their carer to access services, including financial support.

- 2.3. Where children do need to enter the care system they should be matched to a placement that can meet their needs. For the majority of children this need will be met by a high quality family placement with an approved foster carer.
- 2.4. The guidance reiterates that children should not remain in public care unnecessarily, and plans should be made for their return home, or for permanent alternative arrangements to be made as quickly as possible. Children should experience stable, family based care for the duration of their childhoods.
- 2.5. The fees and allowances payable to carers are carefully constructed to ensure that children are not disadvantaged in achieving the best placement, because of financial inequalities. The primary consideration can, therefore, be the best legal arrangement with the carer who can offer security and good outcomes for the child. The allowances recognise the additional requirements of foster carers caring for children in public care, and the different demands on those caring for children who are not in care.
- 2.6. The allowance levels proposed for 2012/13 match Fostering Network Recommended Rates for fostering allowances which exceed National Minimum Fostering Rates, the latter being those rates which all fostering services are required to pay following the implementation of The Children Act 2004.¹ The Fostering Network Recommended Rate is based on the real costs of looking after someone else's child plus the additional costs associated with a child in foster care and the roles, responsibilities and availability required of foster carers. This is the rate agreed for Hampshire foster carers by the Executive Lead Member for Children's Services from April 2008 and recognises the need to set allowances at a rate which will ensure the recruitment and retention of sufficient high quality foster carers, to meet the needs of children in Hampshire, within a competitive local market.
- 2.7. There were 1,093 children living full-time in the care of Hampshire County Council as at 31 December 2011, 604 of whom were fostered with Hampshire foster carers (including 121 children in family and friends placements) and 46 placed for adoption. In addition, 195 children were placed with Independent Fostering Providers, resulting in a total of 799 children living with approved carers (73% of the total number of children looked after full time).

¹ The Fostering Network is a charity supporting foster carers and working to improve the lives of children in care.

- 2.8. The Children's Services Department recognises the importance of developing a range of different family placements for children, each being eligible for financial support to ensure that a child is not prevented from being placed under the appropriate legal framework with a family who can best meet their needs, due solely to financial barriers.
- 2.9. Family placements need to be available for children who are in care, but also for children who are 'on the edge' of the care system. In other words children or young people who could be prevented from coming into care, or who could be supported in leaving care, by way of agreement or by a legal order.
- 2.10. The range of placement types described in this paper cover all of those circumstances. The allowances payable in each case represent only one element of the support given to families when they care for a vulnerable child or young person.
- 2.11. The following sections cover the key issues and include the various schemes. Different schemes are inflated using different criteria, some historical which will phase out when children reach the age of 18 years. The criteria for each are portrayed accordingly.

3. Proposals for changes in allowances

Fostering Allowances

- 3.1. Hampshire's foster carers offer an excellent professional service to children who need to be looked after away from home, both on a short term basis and as a longer term arrangement. An amendment to the Children Act 2004 requires all fostering agencies to pay a minimum rate of allowances to foster carers as of 1 April 2007. However, the rate of allowances paid by Hampshire since April 2008 have been in line with the Fostering Network Recommended Rates. These rates are higher, which has enabled Hampshire to become more competitive in the market place, and attract more carers to foster for Hampshire. The Fostering Network Recommended Rates reflect their analysis of the true cost of looking after someone else's child plus the additional costs associated with a child in foster care and the roles, responsibilities and availability required of foster carers.
- 3.2. It is proposed to increase fostering allowances in line with the Fostering Network Recommended Rates from 1 April 2012 (the first payment week in April 2012) as detailed in Table 1 of Appendix C. This represents an increase of 2.3% compared with the rates payable during 2011/12.
- 3.3. Foster carers emphasise that training and support are as important to them as the level of allowances and fees, and the County Council ensures that foster carers are supported and their contribution recognised, by offering a range of support services, including regular supervision and support groups, a full calendar of training specifically for carers and an independent support service to foster carers who have a complaint or allegation made against them.

- 3.4. Foster carers are also given free access to a wide range of musical events and workshops for their families and the children they care for and free access to a range of leisure and sports facilities across the county.

Adoption Allowances

- 3.5. There were 226 adopted children in Hampshire as at the 31 December 2011 where the adoptive parents received an Adoption Allowance to support their placement (this includes 30 that receive a transitional allowance – see paragraph 3.11).
- 3.6. There are a number of different adoption allowance schemes which have been introduced in response to different Regulations over the last 15 years. Details of the rates of allowances are shown in Table 2 in Appendix C.
- 3.7. In December 2005 the most recent Adoption Support Regulations came into force, which built on the Adoption Support Services Regulations 2003. The regulations emphasise that adopters should be encouraged to seek financial support in the first instance through universal benefits and allowances such as tax credits and child benefits. The aim is to decrease the number of families dependant upon Adoption Agencies to enhance their weekly income, and enable agencies to provide one off grants or practical services rather than ongoing financial support.
- 3.8. Adopters are able to request an assessment for financial support at any time during the adopted child's childhood. The assessment may make provision for financial support in the form of a one off grant in order to meet the needs of a specific child or children, such as assistance to purchase a vehicle, or to adapt a property for a child with special needs, or in some circumstances by paying a regular weekly allowance to meet the ongoing needs of the child, following a financial assessment.
- 3.9. The 2005 Regulations introduced a standard, national formula for assessing adopters' eligibility for an allowance, although the amount payable remains the decision of the County Council. In Hampshire, the maximum amount payable under the assessed scheme is two thirds of the national minimum fostering allowance. The same rate is paid in respect of residence order allowances and proposed for informal family and friends care arrangements.
- 3.10. The amount awarded to each carer is subject to formal annual review or can take place earlier if there is a change of circumstance.
- 3.11. For those children who are supported by way of a weekly adoption allowance, it is proposed to continue to set the rate payable under the current scheme (scheme four) at two thirds of the national minimum fostering allowance, as in previous years. This gives an increase of between 1.6% and 2.3% depending on the age of the child. The amounts payable under Scheme Four are shown in Table 3 of Appendix C.
- 3.12. Adoption allowances payable under previous regulations have been calculated differently and have different maximum rates (scheme three). It is proposed that those allowances should be increased by 2.3%. The amounts payable are shown in table 2 in appendix C. No children are paid under schemes one and two any longer.

Residence Order Allowances

- 3.13. Residence allowances can be paid in circumstances where a child or children have been, or would otherwise have been, in the care of the Local Authority, and the need for the child to be in care is prevented or ceases when a residence order is granted. The most common situations are where a relative or current carer offers to care for a child or children on a permanent basis, and to take shared legal responsibility for the child.
- 3.14. Applicants are financially assessed and awarded up to the same maximum level as the allowances granted for Adoption.
- 3.15. The number of children in receipt of a residence allowance has reduced slightly during the last year with 116 children as at the end of December 2011, compared with 124 at the end of December 2010 and 123 at the end of December 2009.
- 3.16. Children for whom residence allowances are paid fall under the same range of schemes as those who are adopted. It is proposed that residence allowances rates increase in the same way as adoption allowances as described at paragraphs 3.11 and 3.12 above.

Informal Family and Friends Care Arrangements and private fostering

- 3.17. Kinship care was developed in Hampshire during 2003/04. The number of children supported in this way has remained stable since 2007/08 with allowances paid in respect of 64 children at December 2011.
- 3.18. Following the introduction of a family and friends care policy in October 2011, those receiving a previously entitled 'kinship care' allowance will continue to do so at a rate within scheme four as shown in table 3.
- 3.19. For those situations now where children are not able to be cared for by their parent/s and are living with a close family relative, or within private fostering, financial support can be assessed on an individual needs basis. Where it is apparent on-going financial support will be required a financial assessment may be required and paid again under scheme four which is on a sliding scale. For example, where a carer has to reduce work hours in order to care for a child.
- 3.20. It is proposed that 'old' kinship care allowance rates increase in line with scheme four rates.

Special Guardianship

- 3.21. In December 2005 Special Guardianship was introduced as an amendment to the Children Act 1989. The aim was to encourage and enable relatives, or current carers of children who are unable to live with their parents, to provide a permanent alternative care to a child. Some of these children are, or might otherwise be, looked after by the Local Authority. A special

guardianship order awards a higher level of parental responsibility than that awarded under a residence order, without completely severing the legal ties with the birth family in the way in which an adoption order does.

- 3.22. According to assessed need, the local authority is required to provide a similar range of financial and practical supports as are available to children who are adopted. This includes, for example, weekly allowances, one-off grants and payments and other support services. When determining the level of regular payments, i.e. special guardianship allowances, local authorities must legally 'give regard' to the amount of fostering allowance which would have been payable if the child were fostered.
- 3.23. It is proposed that the level of allowances to eligible recipients, payable in respect of special guardianship arrangements, is increased to two thirds of the fostering network recommended allowance rates. This is an increase of 2.3%, as shown in table 4 of appendix C.
- 3.24. For those applicants granted a special guardianship order who already received a fostering allowance prior to January 2011, the level of allowance payable (transitional allowance) was aligned with fostering allowance rates and was not financially assessed. This approach was taken to ensure that children would not be disadvantaged by having to remain in care, where the only barrier to permanence outside the care system may be a financial one. As part of the strategy to deal with Children's Services' department budget constraints transitional allowances ceased for new allowances agreed after January 2011. All applicants for special guardianship order allowances, including former foster carers, are now financially assessed and awarded up to two thirds of the Fostering Network recommended fostering allowance rates.
- 3.25. The numbers of children in Hampshire in receipt of a special guardianship order allowance as at 31 December 2011 was 195. Of those, 113 were in receipt of Transitional Allowances. The number of allowances paid at the end of December 2010 was 151, demonstrating the continued growth in this area following its introduction. Allowance for further activity growth has been made in the 2012/13 budget proposals. The proposed changes for special guardianship allowances are detailed in table 4 in appendix C.

Family Link Allowances

- 3.26. Currently 60 children benefit from using this scheme which offers planned, family based, respite care to children with disabilities. This service offers significant support to children and their families, and is one which Hampshire County Council is committed to continuing to develop. It is proposed that family link allowances be increased by 2.3% as of 1 April 2012. This would mean that family link carers would receive the rates per child shown in table 5 in appendix C.

Skills Fees

- 3.27. In Hampshire, new foster carers undertake a probationary year during which time they are expected to evidence they can meet the Children's Workforce Development Council Induction Standards for Foster Carers. They are then assessed as competent at skill level one. New carers with existing, transferable child care skills may be assessed as already competent at skills level one and start fostering at this level. Level one foster carers do not receive a skills fee.
- 3.28. There have been a number of different skill fee schemes which have been introduced to attract and retain carers in Hampshire by recognising carers' skills and competencies. Skills levels two and three were introduced to encourage carers to work towards these levels if they wished to do so, each level requiring evidence of greater skill and competence in the fostering task and evidence of improving outcomes for the children in their care.
- 3.29. Under the current scheme introduced in April 2008, skill level fees are paid per child for each child placed after the carer has been progressed to level 2 or level 3. These skills fees are sufficiently competitive to attract and retain skilled carers who might otherwise be attracted to independent fostering providers.
- 3.30. Transitional arrangements have been put in place to move carers from the old to the new structure. During this transition period some foster carers remain on old skills fee levels two and four. For county carers the fee is now paid per child.
- 3.31. A small number of foster carers remain on the project care scheme which currently pays a fee of £140.06 per week. As at December 2011, 19 project care fees were in payment.
- 3.32. It is proposed that all fees be increased by 2.3% with effect from 1 April 2012, in order that the County Council is able to remain competitive in attracting highly skilled carers. The current and proposed new rates are detailed in table 6 in appendix C.

Miscellaneous expenses

- 3.33. In addition to standard fees and allowances the following increases are proposed to a range of miscellaneous expenses with effect from 1 April 2012.
- 3.34. Child care rates, to ensure that foster carers are able to attend training and other important meetings, are proposed to increase from £4.63 per hour to £4.74 per hour (an increase of 2.3%).
- 3.35. The mileage rate for essential travel for foster carers is proposed to decrease from 46p per mile to 45p per mile. This is in line with the HMRC rate before tax and National Insurance (NI). The same amount is to be paid to adopters for journeys undertaken during the introduction of the child to their new family.

3.36. Adoption and fostering panels, of which there are 10 each month in Hampshire, play a vital role in ensuring that the standard of foster carers, adopters and plans for children, meet or exceed the minimum statutory requirements. The membership of such panels is laid down in regulation and is mostly made up of members who are independent of the County Council.

3.37 .A small allowance is made available to independent panel members in recognition of their commitment to the task and to offset expenses associated with their attendance, such as travel and childcare costs. It is proposed that the rate payable to panel members of £55.05 per panel increase by 2.3% to £56.32. It is also proposed that travel expenses are reimbursed at a rate of 47p per mile in line with those paid to foster carers, adopters and other carers.

4. Financial implications

4.1 The proposed increases to fees and allowances of between 1.6% and 2.3% can be contained within the non-pay inflation assumption included in the medium term financial Strategy for 2012/13-2014/15.

5. Performance

5.1. This report outlines proposals for increasing Hampshire County Council's fees and allowances payable in respect of children who cannot be cared for by their parents and who need to be cared for away from home, and in respect of disabled children who are supported to remain at home, with regular respite care provided by others.

5.2. The decision will enable more children to live in family placements by ensuring that a range and choice of placements is available so that each child can be carefully matched to a family setting which meets their needs. With a stable family placement, children are more likely to be healthy, stay safe, enjoy and achieve, make a positive contribution and achieve economic wellbeing as adults.

6. Consultation

6.1. Consultation with foster carers, family and friends carers and a range of staff working with and supporting all carers, takes place on an ongoing basis. Whilst carers acknowledge that the allowance they receive is only part of a package of support available to them, it is a basic and very important part of that package. Of equal importance is the assurance that carers can access additional or specialist services throughout the child or young person's childhood and into adulthood. The difficult and uncertain start which these young people have had, means that it is not possible to predict what services might be required in the future. Carers would like assurances that their requests for additional support will be responded to and as this is not always possible, they are keen that the basic level of allowances should be adequate. Ongoing payment of allowances to carers in line with the Fostering Network Recommended Rates will ensure this is the case.

7. Recommendations

7.1. It is recommended that the Executive Lead Member for Children's Services approves the following changes to allowances and fees and associated expenses with effect from 1 April 2012 (the first payment week in April 2012):

- (i) increase fostering allowances to match Fostering Network Recommended Rates (paragraph 3.2 and appendix C, table 1);
- (ii) increase scheme three adoption allowances by 2.3% (paragraph 3.13 and appendix C, Table 2), and scheme four adoption allowances to two thirds of the national minimum fostering allowance rates, an increase of between 1.6% and 2.3% depending on age (paragraph 3.12 and appendix C, table 3);
- (iii) increase scheme three residence order allowances by 2.3% (appendix C, table 2) and scheme four residence order allowances to two thirds of the national minimum fostering allowance rates; an increase of between 1.6% and 2.3% depending on age (paragraph 3.17 and appendix C, table 3);
- (iv) increase informal family and friends care and private fostering allowances to two thirds of the national minimum fostering allowance rates; an increase of between 1.6% and 2.3% depending on age, and set the maximum allowed for Family and Friends Care to the same rate (paragraph 3.20 and Appendix C, Table 3);
- (v) increase special guardianship allowances to two thirds of Hampshire's fostering allowance rates (Fostering Network Recommended Rates) (paragraph 3.23 and appendix C, table 4);
- (vi) increase foster carers skill fees by 2.3% (paragraph 3.32 and appendix C, table 6).

7.2. It is recommended that the Executive Lead Member for Children's Services approves the following changes to allowances and other associated expenses with effect from 1 April 2012 (paid on claim basis at a specific or daily rate):

- (i) increase family link allowances by 2.3% (paragraph 3.26 and appendix C, table 5);
- (ii) increase miscellaneous expenses associated with the above activities (as set out in paragraphs 3.34, 3.36, 3.37) by 2.3%.
- (iii) decrease the mileage rate for essential travel for foster carers as set out in paragraph 3.35.

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

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:	
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Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Children's Services Revenue Budget 2011/12	2503	28 January 2011
Direct links to specific legislation or Government Directives		
<u>All the above allowances are made available in response to legislation relating to Adoption, Special Guardianship, Residence Orders and children in care, primarily the Children Act 1989 and the Adoption and Children Act 2002.</u>	<u>Date</u>	

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 Race and equality impact assessment has been considered in the development of this report and no adverse impact has been identified. An increase in allowances and fees will ensure we maintain a consistent pool of carers, and that a choice of placement is available. Matching children to a family setting which meets their needs is more likely to improve outcomes for children.

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:

3.1 How does what is being proposed impact on our carbon footprint/energy consumption?

- No impact

3.2 How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

- No impact

Appendix C – Tables to show proposed allowance rates**Table 1: Weekly Fostering Allowance Rates**

Child's Age	Current Rate (2011/12) £	Proposed Rate (2012/13) £	Increase on 2011/12 £	% Increase
0-4	131.47	134.49	3.02	2.3%
5-10	149.76	153.20	3.44	2.3%
11-15	186.43	190.72	4.29	2.3%
16+	226.74	232.00	5.26	2.3%

Table 2: Scheme Three - These apply only to Adoption and Residence Order weekly allowances

Scheme	Child's Age	Current Rate (2011/12) £	Proposed Rate (2012/13) £	Increase on 2011/12 £	% Increase
Scheme Three	0-4	64.14	65.59	1.45	2.3%
	5-10	82.87	84.77	1.90	2.3%
	11-15	106.26	108.71	2.45	2.3%
	16+	141.42	144.69	3.27	2.3%

Table 3: Scheme Four - This applies to Kinship Care, Adoption, and Residence Order allowances (weekly amounts)

Child's Age	Current Rate (2011/12) £	Proposed Rate (2012/13) £	Increase on 2011/12 £	% Increase
0-1	82.67	84.00	1.33	1.6%
2-4	84.70	86.66	1.96	2.3%
5-10	94.64	96.67	2.03	2.1%
11-15	107.31	109.34	2.03	1.9%
16+	126.07	128.73	2.66	2.1%

*Based on two thirds of the national Minimum Fostering Allowance

Table 4: Special Guardianship Allowances (weekly amounts)

Child's Age	Current Rate (2011/12) £	Proposed Rate (2012/13) £	Increase on 2011/12 £	% Increase
0-1	87.65	89.67	2.02	2.3%
2-4	87.65	89.67	2.02	2.3%
5-10	99.84	102.13	2.29	2.3%
11-15	124.29	127.12	2.83	2.3%
16+	151.16	154.70	3.54	2.3%

Table 5: Family Link Allowances (weekly amounts)

Time period	Current Rate (2011/12) £	Proposed Rate (2012/13) £	Increase on 2011/12 £	% Increase
0 – 4hrs	14.23	14.56	0.33	2.3%
4 – 8hrs	26.09	26.67	0.58	2.3%
8 – 12hrs	35.58	36.40	0.82	2.3%
Overnight	21.34	21.84	0.50	2.3%
Waking Night	35.58	36.40	0.82	2.3%
Whole week	282.19	288.68	6.49	2.3%

Table 6: Skills Fees (weekly amounts)

Skills Level	Current Rate (2011/12) £	Proposed Rate (2012/13) £	Increase on 2011/12 £	% Increase
Level 2	90.55	92.61	2.06	2.3%
Level 3	282.12	288.61	6.49	2.3%
Level 2 Transitional	66.44	67.97	1.53	2.3%
Level 4 Transitional	141.06	144.27	3.21	2.3%
Project Care Fee	140.06	143.29	3.23	2.3%