

# Consultation on the proposed changes to the Fostering Payments Policy

## The Proposal

It is proposed from the 1<sup>st</sup> January 2019 Southwark Fostering Payments for Carers Policy adopts the Department for Education (DfE) fostering allowances. The current government recommended rates can be found at the following link.

<https://www.gov.uk/foster-carers/help-with-the-cost-of-fostering>

Southwark Council currently bases its fostering allowance component on the rates published in 2015 - 2016 by the Fostering Network, which are dependent on age bands, and are between £18.67 and £67.06 per week higher than the DfE minimum allowances. In March 2017 the Fostering Network decided that they would no longer publish Fostering Network rates. The Fostering Network has decided to discontinue these guidelines as it recognised that the DfE minimum allowances have now been implemented by several fostering services and this has helped to reduce the disparity in allowances between local authorities. The Fostering Network's minimum allowances will no longer be able to be used as a basis for the Southwark fostering allowance structure as they will no longer be updated and will not be compliant with the National Minimum Standards for Fostering Services (2011). The only national recognised standard will be the DfE minimum fostering allowance. The local authority is required to pay at least the national minimum fostering allowance (see Section 49 Children Act 2004 and Standard 28.1, National Minimum Fostering Standards 2011).

The government recommended rates have been adopted by several local authorities across the UK, including the following in London: Richmond upon Thames, Kingston, Greenwich, Lewisham, Bromley, Islington and Barnet. Southwark's fostering allowance will remain commensurate with the government recommended minimum rates of allowances for the relevant financial year. Although some Southwark carers live outside London, we would propose to adopt the higher London rates for all carers. This is because while we recognise the cost of living is lower outside London, we recognise that those carers caring for Southwark children living outside London may have higher travel costs bringing children to appointments and to visit parents and family members within Southwark.

Please refer to Southwark's proposed Fostering Payments to Carers Policy and the proposed Family and Friends Policy which accompany this consultation document.

The fostering allowance component is designed to cover the cost of caring for a child. This includes food, clothes, toiletries, travel and all other expenses incurred in looking after a child. The fostering allowance is the key amount used by Southwark to calculate Special Guardianship (SGO) and Child Arrangement Order (CAO) (formerly Residence Order (RO)) and adoption allowances. These allowances are subject to a means test of the Special Guardian's/CAO or RO carer's or adopter's income, so that some SGO, CAO, RO or

adoptive carers receive a lower amount due to their household income. Additionally, Child Benefit and Child Tax Credit are deducted from the weekly SGO, CAO, RO or adoption allowance because SGO, CAO and RO or adoptive carers can claim these for the child or children they are caring for. Foster carers do not hold Parental Responsibility and are not able to claim Child Benefit or any other childcare welfare benefit.

In addition to an allowance, foster carers are paid a reward fee component which is to recognise their experience, training and skills. It is recognised that Southwark needs to recruit more foster carers, particularly people living in and close to Southwark. In trying to do so we are competing with our neighbouring local authorities and with multiple Independent Fostering Agencies (IFAs) in a highly competitive market. Southwark does not currently have enough foster carers to meet the needs of Southwark children. On average an IFA fostering placement costs £20,000 more annually to Southwark Council than an in-house fostering placement. Recruiting more carers to foster for Southwark is a key priority in particular for teenagers, sibling groups and for children who display challenging behaviour and may be either at risk of being placed in or looking to leave residential care and move to a foster family. The Fostering Network estimates that fostering services across the UK need to recruit at least a further 7,180 foster families in the next 12 months alone with an estimate of 830 additional families required in London.

### **Rationale for Proposal**

Southwark Council needs to be able to reduce its current expenditure in light of reduced funds from Central Government. There is a strong Council commitment to provide high quality services to children and to adults throughout Southwark. There are no easy answers on how to do this and we face difficult choices which we propose to make in a fair and transparent way in line with Southwark's Fairer Future promises. The rationale for the proposed changes is to make financial savings for Southwark and to help to reduce the disparity in allowances between local authorities, whilst retaining valued foster carers. Using these rates it is hoped will reduce variation between local authorities and create greater equality and fairness in the rates paid.

We are very committed to providing an excellent offer of universal services and early help supporting children at home with their parents. Where this cannot safely be achieved we would want to support and enable as many children as possible to be cared for by their family and friends outside of the care system. In the last five years spending on SGO allowances in Southwark has increased by 140% and it is predicted demand will continue to rise.

Some children will still need to be looked after outside of their own friends and family network. Southwark is a vibrant and diverse borough and for children looked after by the local authority we know that often what can help make the most difference is the relationship they have with their foster carer. In Southwark we are ambitious as corporate parents for all our children to be loved and have a secure base with their foster carers. We know from data about children looked after by Southwark that children do better if they can be placed in Southwark or very nearby to Southwark. This is because of the excellent schools,

therapeutic support and resources available in Southwark. We know that recruiting enough foster carers to meet the needs of children looked after is a huge challenge in London and in Southwark and because of this challenge the proposals in this document will mean that foster carers will, if the revised policy is implemented, receive an overall increase of 1% in the total amount of money they receive.

While we are proposing to reduce the fostering allowance component in line with the government minimum rates for London, we are also proposing to increase the reward fee component to ensure that foster carers do not experience an overall reduction in the weekly amount they receive. The actual weekly amount of fostering fees has been calculated so that all foster carers at Levels 1, 2 and 3 would have an overall increase of more than 1% over current payments in the total combined amount they receive, which is made up of the allowance and reward fee component. It is proposed that the reward fee component going forward will be linked by the same percentage increase as the council employee pay award.

It is also proposed to introduce a higher fee level for a new category of specialist foster carer who has proven specialist therapeutic skills and undertaken enhanced training to offer placements for children at risk of residential care or moving out of residential care, for parent and baby foster placements and for those who can offer foster care to children remanded in custody. We have also reviewed our additional allowances to foster carers and propose some changes in the additional amounts paid to foster carers.

At a time where there is a need for the Council to think carefully and try to reduce overall spend the question and challenge may rightly be asked as to why alongside the reductions set out in the fostering allowances to save money we are proposing to increase the fostering fees and introducing a specialist category of foster carer. The reasons for this are that Southwark needs to recruit and retain more foster carers who live in and close to Southwark in order to meet the needs of our looked after children. We know money is absolutely not the biggest motivating factor for foster carers, but to be able to attract and retain foster carers we need to pay a comparable amount to both neighbouring local authorities and also to Independent Fostering Agencies. We have compared the rates paid by other neighbouring authorities and Independent Fostering Agencies (IFA) and to remain in the same range we need to increase the fees that we offer. Our rationale for this decision is that if we do not recruit more Southwark foster carers then we are more likely to need to place more children in IFA placements, and this on average costs an additional £20,000 per year per child. While overall we are seeking just over a 1% increase in what we pay Southwark foster carers and know this means some increase in our budget on fostering fees, we have taken a view that not doing so would be likely to adversely impact our ability to recruit and retain Southwark foster carers and would be very likely to lead to increased spend on IFA placements and would have the potential to cost the Council much more money.

## **Who we are consulting with about the proposed changes to the Fostering Payments Policy**

We recognise that different groups of carers are affected differently by what we are proposing and have tried to set out in this consultation document what these differences are and the reasons for these.

We are consulting about these proposals with current Special Guardianship carers, CAO and RO carers and adoptive carers who currently receive a means-tested allowance in Southwark and who, if these proposals are implemented, will not get an increase in the allowance they currently receive. We are also sending this consultation to people who are currently being assessed by Southwark as potential carers who would receive new rates of means-tested allowances.

We are consulting with all Southwark Foster Carers and with Friends and Family -Foster Carers including those who are temporarily approved under regulation 24 (this concerns temporary approval as foster carers of family and friends carers).

We will publish a copy of this consultation on the Council website and will consult with key organisations that support Kinship Carers such as the Family Rights Group.

We are undertaking and will publish an equalities impact assessment about this proposed change which will take into consideration the views expressed during this 6 week consultation period.

### **1. Impact of proposed change if implemented for Special Guardians and CAO and RO and adoptive carers whose children qualify for financial Support in line with the Friends and Family Policy**

In line with current policy it is proposed the Special Guardianship, CAO and RO and adoption allowances would remain means-tested and would be aligned to the proposed fostering allowances in age bands. However, existing Special Guardianship, Child Arrangement Order, Residence Order and adoptive carers will not have a reduction in the current amounts they are paid. Instead they will retain their current payment level. When the child they are caring for changes to a different age band in line with the rates, they will either retain their current payment level, or it will increase in line with the new age band rate, whichever is the higher.

From 1<sup>st</sup> January 2019 new Special Guardians, CAO, RO and adoptive carers will receive the lower rate of allowance, subject to the means-test, which will be the same as the proposed new fostering allowance as set by the DfE.

All allowances are reviewed annually and carers are asked to provide evidence of their financial circumstances. Child Benefit and Child Tax Credit are deducted from the Special Guardianship /CAO/RO and adoption allowance amount. The proposed change in rates is proposed from the 1<sup>st</sup> January 2019 and table A below shows the maximum reduction in

allowance if the new policy is implemented based on new carers receiving all of the fostering allowance with no means-tested reduction. This is based on the current government recommended rates, which are updated each April. The rates for 2018-19 are not yet known. Due to the effect of the means test some new carers may receive a lower amount than existing carers. Table A

<u>Age Band</u>	<u>Current Rate</u>	<u>Proposed London National Minimum rate</u>	<u>Difference between the two rates and maximum reduction</u>
<u>0-5</u>	£167.67	£149.00	- £18.67
<u>5-10</u>	£191.15	£168.00	- £23.15
<u>11-15</u>	£238.04	£190.00	- £48.04
<u>16+</u>	£289.06	£222.00	- £67.06

**2. Impact of the proposed change if implemented for Family and Friends Foster Carers approved by the Adoption and Fostering Panel who are not eligible for the fee component**

For Family and Friends Foster Carers who have been approved as long term foster carers by the Adoption and Fostering Panel, the impact of the proposed policy change is as set out in table B below. There may be some carers who are in this category who have not completed the training required to receive the additional fee if the proposed new policy is implemented. In those cases they will continue to receive the allowance and fee level 1 and their Supervising Social Worker from the Fostering Team will work with them to meet the training requirements. This level would be maintained for 18 months from 1<sup>st</sup> April 2018 to enable these carers a time period to complete the training required. Further details are contained in the Fostering Payments to Carers Policy.

Foster Carers, who are already temporarily approved under Regulation 24 at 31<sup>st</sup> December 2018 if they are subsequently approved as long term foster carers by the Adoption and Fostering Panel after the 1<sup>st</sup> January 2019, will only receive the additional fee component once they have completed the required training. If they opt to not complete the required training then they will only receive the new allowance component.

Carers who become Regulation 24 Carers after the 1<sup>st</sup> January 2019 will receive the new allowance rates. These are not means tested for Regulation 24 carers so would be at the London DfE minimum fostering allowance rates.

Family and Friends Foster Carers who wish to consider becoming Special Guardians or adopters would be impacted by the proposed reduction in rates. In order to alleviate the effects of this change and promote children being looked after in their family and friends

network rather than remaining in care to the local authority, Southwark Council would, if the SGO or adoption is supported by the local authority, agree to pay the fostering allowance and fee component the carer already receives for two years after the SGO or adoption order is made, after which time the carer would receive the means tested SGO or adoption allowance.

### **3. Impact of Change for Foster Carers approved by the Adoption and Fostering Panel including Family and Friends carers who are eligible for the fee component.**

The actual weekly amount has been calculated so that all foster carers at Level 1, 2 and 3 would have an overall increase of at least 1% from the rates in the total amount they receive, which is made up of the allowance and fee component. It is proposed that going forward the percentage increase of the fee component would be linked to the Southwark Council pay award.

We also considered the changing needs of children who are becoming looked after in Southwark. It is a growing trend that more children over the age of ten are becoming looked after and often have complex needs. As at the 31<sup>st</sup> March 2017, 78 of looked after children in Southwark were placed in foster care and this compares to an England average of 74% of children. We have within the policy created the new category of a specialist foster carer. These carers will have developed specialist therapeutic skills and undertaken training to offer placements for children at risk of residential care or who are leaving residential care, parent and baby foster placements and remand foster care. It is proposed that these specialist carers would receive an enhanced fee as set out in the proposed Fostering Payments to Carers Policy. The reasons for paying these carers an enhanced fee is to recognise the additional skills these carers have, and the extra investment of supervision, time and energy these placements are very likely to require. In addition we recognise carers with these specialist skills are hard to recruit and retain and so we would like these carers to be engaged directly by Southwark rather than via an agency which needs additional fees for their own running costs. Therefore the enhanced fees for these carers reflect consideration of the current market for recruiting specialist carers. In making this proposal we have also considered that having a category of specialist carers available could enable more children to stay looked after by internal foster carers rather than in residential or with an IFA and this would then lead to a reduction in the growing financial spend on these resources.

We have also reviewed the additional allowances currently made to foster carers and propose the changes below:

1. The initial technology allowance will reduce from £600 to £500 in light of the reduction in the cost of computers, which can be updated at a frequency of not less than every three years to a value of £400.
2. The annual holiday allowance would remain at £250 per year for children 0-10 and rises to £400 for children aged 11-18. Currently the policy allows that every 3 years foster carers may request a payment for Special Holidays. There is currently no cap

on this amount, but in light of budget constraints it is proposed that this additional amount is capped at an additional £500.

Table B

This shows how Level 1 foster carers would be impacted by the changes proposed giving the combined total for allowance and fee for each age band:

<u>Age of Child</u>	<u>Total of allowance and fee currently</u>	<u>Total of allowance and fee proposed</u>	<u>Difference each week</u>
<b>0-4</b>	£317.67	£323.00	+£5.33
<b>5-10</b>	£341.15	£348.00	+£6.85
<b>11-15</b>	£388.04	£395.00	+£6.96
<b>16-17</b>	£439.06	£447.00	+£7.94

Table C

This shows how Level 2 foster carers would be impacted by the changes proposed giving the combined total for allowance and fee for each age band:

<u>Age of Child</u>	<u>Total of allowance and Fee currently</u>	<u>Total of allowance and Fee proposed</u>	<u>Difference each week</u>
<b>0-4</b>	£332.67	£338.00	+£5.33
<b>5-10</b>	£356.15	£363.00	+£6.85
<b>11-15</b>	£403.04	£410.00	+£6.96
<b>16-17</b>	£454.06	£462.00	+£6.94

Table D

This shows how Level 3 foster carers would be impacted by the changes proposed giving the combined total for allowance and fee for each age band:

<u>Age of Child</u>	<u>Total of allowance and Fee currently</u>	<u>Total of allowance and Fee proposed</u>	<u>Difference each week</u>
<b>0-4</b>	£347.67	£353.00	+£5.33
<b>5-10</b>	£371.15	£378.00	+£6.85
<b>11-15</b>	£418.04	£425.00	+£6.96
<b>16-17</b>	£469.06	£477.00	+£7.94

## What Happens Next

Thank you for reading this proposal and providing your feedback. Once the consultation ends, the results of the consultation will be carefully considered and a decision will be made on the proposed changes.

## Consultation Period

Your response on the above change is needed during the consultation period which will run for just over 6 weeks from 5<sup>th</sup> October 2018 to 19<sup>th</sup> November 2018.

We would like you to tell us what you think of the change being suggested and any alternative ideas you would like to make about this. You can do this by:

Completing the enclosed questionnaire and posting this back in the stamped address envelope to:

### Payments Consultation 2018,

Fostering Service,  
7 Talfourd Place,  
Peckham,  
London,  
SE15 5NEW

Alternatively you can e-mail your views to [centralsupporttalfourd@southwark.gov.uk](mailto:centralsupporttalfourd@southwark.gov.uk)

If you would like help to complete the attached form or express your views about this proposal you can contact Rachel Howard the Quality Assurance Lead in the Permanence Service on 0207 525 0976 or at [rachel.howard@southwark.gov.uk](mailto:rachel.howard@southwark.gov.uk) to arrange for someone to help you complete the form.

## Translation and Interpreting Service

The council provides a free translation and interpreting service to those residents who need it to access essential council services and who cannot get help from family and friends. If you need this service contact 020 7525 2333

**Please return your comments by Monday 19th November 2018**

## Consultation timetable

Date	Action
5 <sup>th</sup> October 2018 to 19 <sup>th</sup> November 18	6 week proposed consultation period
19 <sup>th</sup> November 2018	Consultation closes
19th November 2018 to 7 <sup>th</sup> December 2018	Period to consider the results of feedback from consultation.
w/c 10 <sup>th</sup> December 2018	Communications to SGO Carers, CAO and RO and Adoptive Carers and Foster Carers in respect of policy decision.

## Consultation on the proposed changes in the Fostering Payments Policy

### 1. What is your opinion of the proposed changes to the fostering allowance?

Strongly agree	
Agree	
Neither agree or disagree	
Disagree	
Strongly Disagree	

Please give us the reason for your answer in the box below.

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### 2. What is your opinion of the proposed changes to the reward fee component?

Strongly agree	
Agree	
Neither agree or disagree	
Disagree	
Strongly Disagree	

Please give us the reason for your answer in the box below.

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**3. What is your opinion of the proposal to introduce a higher fee level for a new category of specialist foster carer?**

Strongly agree	
Agree	
Neither agree or disagree	
Disagree	
Strongly Disagree	

**Please give us the reason for your answer in the box below.**

**4. What is your opinion of the proposed changes to the technology allowance and the holiday allowance?**

Strongly agree	
Agree	
Neither agree or disagree	
Disagree	
Strongly Disagree	

**Please give us the reason for your answer in the box below.**

## About you:

<b>Name:</b>	
<b>Email:</b>	
<b>Address:</b>	
<b>Who are you? (please tick one)</b> <input type="checkbox"/> Foster Carer <input type="checkbox"/> Special Guardian <input type="checkbox"/> Connected Persons (Friend and Family) Foster Carer <input type="checkbox"/> Child Arrangements Order, Residence Order or Adoptive Carer <input type="checkbox"/> Other (please tell us) _____	

### Data Protection Act 1998

The personal information on this form will be kept safe and is protected by law. You can see more information about data protection at our website at:

[http://www.2.southwark.gov.uk/info/200031/freedom\\_of\\_information\\_and\\_data\\_protection/4068/fair\\_processing\\_notice](http://www.2.southwark.gov.uk/info/200031/freedom_of_information_and_data_protection/4068/fair_processing_notice)

### Equality Monitoring

*“Southwark Council is committed to the principle that all our customers have the right to equality and fairness in the way they are treated and in the services that they receive. If you answer the questions below it will help us to check that we are providing services fairly and that they are accessible to all. You do not need to answer any of the following questions if you do not wish to and you will not be affected in any way if you choose not to answer any, or some, of the questions. Any information you do give will be used to see if there are any differences in the extent to which different groups of people are accessing our services. The information in this section will be used for no other purpose than for monitoring the fairness and effectiveness of our service delivery and employment practices. No personal information which can identify you, such as your name or address, will be used in producing equality reports. We will follow our Data Protection Act policy to keep your information secure and confidential.”*

Age		
Are you...		
<input type="checkbox"/> Under 16 <input type="checkbox"/> 16-17 <input type="checkbox"/> 18-24 <input type="checkbox"/> 25-34	<input type="checkbox"/> 35-44 <input type="checkbox"/> 45-54 <input type="checkbox"/> 55-64 <input type="checkbox"/> 65-74	<input type="checkbox"/> 75-84 <input type="checkbox"/> 85-94 <input type="checkbox"/> 95+

<b>Disability and health</b>	
Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?	<input type="checkbox"/> Yes, limited a little <input type="checkbox"/> Yes, limited a lot <input type="checkbox"/> No, not limited
Please tick a box or boxes below which best describes the nature of your impairment(s):	
<input type="checkbox"/>	<b>Hearing / Vision</b> (e.g. deaf, partially deaf or hard of hearing; blind or partial sight.)
<input type="checkbox"/>	<b>Physical / Mobility</b> (e.g. wheelchair user, arthritis, multiple sclerosis etc)
<input type="checkbox"/>	<b>Mental health</b> (lasting more than a year. e.g. severe depression, schizophrenia etc)
<input type="checkbox"/>	<b>Learning difficulties</b> (e.g. dyslexia, dyspraxia etc)
<input type="checkbox"/>	<b>Memory problems</b> (e.g. alzheimer's etc)
If you wish to specify your impairment, please do so here:	

<b>National identity</b>
What do you consider to be your national identity?:

<b>Ethnicity</b>	
What do you consider to be your ethnicity? Please pick one section below and tick one box.	
<b>White or White British</b>	
<input type="checkbox"/> British <input type="checkbox"/> English <input type="checkbox"/> Scottish <input type="checkbox"/> Welsh	<input type="checkbox"/> Northern Irish <input type="checkbox"/> Irish <input type="checkbox"/> Gypsy, Roma or Irish Traveller <input type="checkbox"/> Other European
<input type="checkbox"/> Other White (please specify if you wish):	
<b>Black or Black British</b>	
<input type="checkbox"/> Black British <input type="checkbox"/> Caribbean <input type="checkbox"/> Nigerian <input type="checkbox"/> Ghanaian	<input type="checkbox"/> Sierra Leonean <input type="checkbox"/> Somali <input type="checkbox"/> Other African
<input type="checkbox"/> Other Black (please specify if you wish):	
<b>Asian or Asian British</b>	
<input type="checkbox"/> Asian British <input type="checkbox"/> Indian <input type="checkbox"/> Bengali <input type="checkbox"/> Chinese	<input type="checkbox"/> Pakistani <input type="checkbox"/> Vietnamese <input type="checkbox"/> Filipino

<input type="checkbox"/> Any other Asian (please specify if you wish):
<b>Mixed Background</b>
<input type="checkbox"/> White and Black Caribbean <input type="checkbox"/> White and Black African <input type="checkbox"/> White and Asian
<input type="checkbox"/> Other mixed background (please specify if you wish):
<b>Other Ethnicities</b>
<input type="checkbox"/> Arab <input type="checkbox"/> Latin American (please specify if you wish): <input type="checkbox"/> Any other ethnicity (please specify if you wish):

<b>Preferred language</b>	
What is your preferred language?	<input type="checkbox"/> English <input type="checkbox"/> Other (please specify if you wish):

<b>Religion or belief</b>		
What is your religion or belief?	<input type="checkbox"/> Christian <input type="checkbox"/> Sikh <input type="checkbox"/> Hindu <input type="checkbox"/> Muslim	<input type="checkbox"/> Jewish <input type="checkbox"/> Buddhist <input type="checkbox"/> No religion
<input type="checkbox"/> Other religion or belief (please specify if you wish):		

<b>Marriage or civil partnership status</b>	
Are you married or in a civil partnership?	
<input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed <input type="checkbox"/> Separated	<input type="checkbox"/> Registered in a civil partnership <input type="checkbox"/> Formerly in a civil partnership which is now legally dissolved <input type="checkbox"/> Surviving member of a civil partnership <input type="checkbox"/> Never married or never in a civil partnership

<b>Sex</b>		
Are you...	<input type="checkbox"/> Male	<input type="checkbox"/> Female

<b>Gender reassignment</b>	
Is your gender identity the same as the gender you were assigned at birth?	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Pregnancy or maternity**

Are you currently pregnant and / or on maternity leave?

- Yes  
 No

**Sexual orientation**

Are you...

- |  |                                    |
|--|------------------------------------|
| <input type="checkbox"/> Heterosexual/straight | <input type="checkbox"/> Gay man   |
| <input type="checkbox"/> Lesbian/Gay woman     | <input type="checkbox"/> Bi-sexual |

If you prefer to use your own term please specify this here: