



DERBY CITY COUNCIL

COUNCIL CABINET
27 APRIL 2004

Report of the Director of Social Services

Improving the Foster Care Service for Derby

RECOMMENDATIONS

- 1.1 To agree significant changes to the way Derby recruits, rewards, trains and supports foster carers.
- 1.2 To agree a significant increase in the allowance levels paid for children and young people in foster care.
- 1.3 To introduce an annual remuneration payment for Local Authority foster carers, a qualification payment and a retention bonus for long service.
- 1.4 To introduce a reward for successful introductions of new carers to the service.
- 1.5 To introduce a new respite care scheme for foster carers linked to the needs of specific children and young people.
- 1.6 To note the proposed arrangements for taking forward the future work needed to improve the fostering service in Derby.
- 1.7 To note the budget implications of these improvements.

REASON FOR RECOMMENDATIONS

- 2.1 The Best Value Review of services for Children Looked After highlighted the need to modernise our fostering service in order to improve recruitment and retention and thus maintain a high quality Local Authority foster care service. This was also one of the major recommendations of the SSI / Audit Commission Joint Review. This issue has also been clearly highlighted in the 2004 – 05 budget process due to the significant increased use of external agency fostering placements and the associated high cost for these.
- 2.2 Pressures on children's placements and fostering services are subject to national and local factors. Examining what other Authorities are doing gives a mixed picture of approaches being used. There is no clear picture of what is most effective. However what is clear is that those Authorities who provide greater investment and some form of reward for foster carers tend to do better. Our assessment for Derby is that we need to maintain and build on our well-regarded support for carers but also improve our allowance payments and introduce some level of remuneration. Both our newer and existing carers support this approach. Current evidence shows that if we do not make some change in this direction our recruitment and retention pressures will increase and we will not reduce our level of IFA usage.

- 2.3 Consultation with our existing carers and contact with other authorities have contributed to the recommendations to introduce a range of improvements in financial support and recognition for carers. From our consultation with our foster carers there is less support for specific and regular remuneration and more support for positive and on-going recognition as colleagues. Those consulted said that the overall level of finance going into a foster home is important and there is a strong view that we should more adequately cover the true costs of care. The proposals within this report strike a balance between carer reward and recognition and improved finances for the costs of care. The proposed one off retention and qualification payments also gives a level of personal incentive to carers.

SUPPORTING INFORMATION

- 3.1 Derby has generally been a high performer on the key indicators for Looked After Children. However the Best Value Review, completed in September 2003, highlighted a number of key areas where improvements were needed if this performance level was to be maintained.
- 3.2 The background context to our local position with regard to the numbers of Looked After Children is well known and has featured in numerous reports. Our numbers have reduced substantially over the last five years but currently at 386 they remain at about 40 over the average rate for an Authority of our size and type. The numbers are continuing to fall slowly against a national upward trend. Despite this our fostering service has continued to perform well with the Council maintaining its top quartile position on the two main key indicators. In particular to have over 83% of our Children Looked After placed in family placements is excellent. The service also continues to make in-house placements, 57 in 2003.
- 3.3 The availability of placements for children looked after by Local Authorities is now subject to intense competition from the independent and voluntary sector. Independent fostering agencies (IFA's) are now more active in Derby and are recruiting local people. This makes it more difficult for us to recruit foster carers. Recruitment overall has slowed in recent years and during the last year we have recruited 22 carers but lost 27, a net loss of 5 carers. All IFA's offer a professional fee to their carers as well as a guaranteed level of support and respite for the placements they take. The average cost of these placements to us as a purchasing Authority is approximately £40,000 p.a. We currently have 33 IFA placements, an increase in 24 since January 2003.

3.4 Commissioning

- 3.4.1 Derby continues to work towards reducing the total number of children looked after and aims to achieve a reduction of 20 each year over the next two years. By 31 March 2005 it is projected that 368 children will be looked after. Not all children looked after are placed in foster care. Placements are made in relation to assessments of need and care plans are drawn up in relation to need. Children are placed in a range of settings and it is projected that the 368 children will require placements
- 3.4.2 By March 2006, 267 foster placements will be needed. Derby currently has 203 foster placements. In order to have sufficient placements to meet needs in-house, Derby would need to provide 64 additional placements by recruiting an additional

36 additional foster carers, as foster carers provide an average of 1.8 placements each.

- 3.4.3 However, the Government objective for children in this area requires that a choice of placements is available, in order to match children's needs to carers circumstances and abilities. A vacancy rate of 15% should be planned for to achieve this. We are not currently able to offer a choice of placements. Provision of placement choice would require a total of 307 placements and an additional 104 placements. To offer this service Derby will need to recruit an additional 58 carers, which will be a significant challenge. The improvements proposed in this report will assist recruitment activity.
- 3.4.4 We continue to improve our performance by ensuring that only those children who must be looked after enter public care and in reducing the length of stay. Effective gate keeping processes and care planning to secure permanent care solutions for children will mean that children move through the looked after system more speedily. It will also mean that those children who remain in the looked after system will have increasingly complex needs.
- 3.4.5 As an Authority we need to develop foster carers with a range of skills and experience to meet the needs of children who will be in its care in the future. These foster carers will need additional professional support from the full range of agencies involved in health, social care and education. They will need training, practical support, including respite and adequate remuneration to carry out a very important and very difficult job.
- 3.4.6 The Government are currently developing a Commissioning framework for Children's services that will support the work we are doing in Derby. We have signalled our wish to the "Choice Protects" task group to receive some individual support and guidance from them to assist us in the next steps.

3.5 Improving our in-house fostering service

- 3.5.1 As a result of the Best Value Review an inter agency workshop was held in December to map out the work needed and to build this into a strategic timetable. In addition to this shortly before Christmas a questionnaire was sent to all of our foster carers to seek their views on what options for improvement were felt to be most appropriate. There has been an excellent response to this questionnaire with a return rate of over 65%. During March we also held two focus group discussions with foster carers. There were mixed views expressed on two key questions about introducing a small-scale full-time paid carer scheme and of introducing a sliding scale of remuneration for carers. From our consultation there was less support for specific and regular remuneration and more support for positive and on-going recognition as colleagues. The overall level of finance going into a foster home is important and there is a strong view that we should more adequately cover the true costs of care.
- 3.5.2 Carers gave at least equal emphasis to the need to ensure a good level of support to what are increasingly challenging placements of children with complex needs. As our strategy to reduce our numbers overall moves forward this has led to an increase in the overall need levels of the children we do have to place. Almost unanimously carers felt that the priority should be for our allowance levels payable

for children placed to be increased to better reflect the true cost of care.

- 3.5.3 Whilst we are committed to introducing some level of remuneration specifically for carers it is important that we raise our main allowance levels for children and young people. This demonstrates our commitment to better meet the costs of care. The Council gave a commitment in 1999 to reduce the gap between our allowance levels and those recommended by the Fostering Network. Since then it has not been possible to increase our allowances by more than 3% each year. It is proposed that in addition to the 3% uplift already agreed for 2004 – 05 that we make a further increase of 12% with effect from 1st July. In addition it is also proposed that we increase the festivity allowances – Christmas and Birthdays – which carers children and young people tell us are now too low. The impact of this increase is detailed in **Appendix 2**. All children and young people in foster care would receive the increased allowance level, including those placed with approved specific relative carers.

3.6 Proposals for financial recognition

- 3.6.1 Currently we operate two schemes that do give some financial reward to carers. These are based on the need levels of individual children and young people and not on the skills and experience of the carers. The schemes are “The family project” and “Children First”. The Family Project particularly has changed incrementally to include some children with higher levels of need who are not teenagers. Currently the fee level for the “Family Project” is £116 p.w. for each child. It is not proposed that we change these schemes at this point but that we review how we can develop them into more modern schemes for the future. Taking this approach will not jeopardise any current placements but will not delay us in implementing the other improvements outlined in this report. Project and Children First carers will equally benefit from these.
- 3.6.2 In order to move quickly in response to foster carers request for some financial recognition we propose the introduction of an annual payment of £1000 for each approved foster home irrespective of the number of children placed. Such a payment would be in recognition of carers efforts during the year including their commitment to post-approval training, their approval for a range of children, their commitment to participate in consultation exercises and their potential to respond to emergency and placement over number requests. As this payment is in recognition of these particular aspects of acting as a foster carer specific relatives who are only approved for a named child will not receive this remuneration payment unless they choose to request alteration to their status. An assessment would then be required to determine if the foster carer could take on this wider role.
- 3.6.3 Such a payment would be simple to introduce, easy to administer and be attractive to both existing carers and potential newly recruited carers. It would confirm our intention to provide some reward to carers for the work they do over and above the current fees and allowances. With Cabinet approval we would quickly consult with carers on the financial proposals as a final check, however the focus groups gave an indication that an annual lump sum of a significant amount was preferable to a small universal weekly allowance.

- 3.6.4 We would also propose the introduction of one-off payments to recognise both qualifications and the length of service of carers to encourage foster carers to continue with us. Payments for achieving NVQ 3 and for 5 and 10 years service are recommended. It is proposed that these latter awards are linked to some form of civic recognition for the contribution that carers make. Financial details of these proposed payments are also included in **Appendix 2**.
- 3.6.5 The total package represents a positive recognition for foster carers in financial terms.

3.7 Complex needs placement options

- 3.7.1 As part of modernising both our foster care service and our residential care service, we want to review options for meeting the needs of a very small group of children. They are currently in residential care or in very high cost IFA's where it would be more appropriate to find a local resource in Derby. We have done work previously on the introduction of a Local Authority contract carer scheme but have not taken this forward due to the costs and the potential de-stabilisation of our existing carers. As part of diversifying our approach to fostering the time is right to review how we provide for this small group of children. The target group is those who would need top level support IFA placements or potentially residential care. Essentially these are either those currently living in residential care where fostering is identified as being needed, or those in IFA placements with higher levels of need who would be better placed more locally.
- 3.7.2 An in-house contract carer scheme would not make large savings as compared to standard IFA placements, but would need to be targeted at specific children with complex needs. It is projected that the placements, including allowances, would cost approximately £6,000.p.a. less than their IFA equivalent. This would provide an additional option for a few children and would provide a Council "top level" fostering scheme. This could support our overall approach to marketing the service.
- 3.7.3 Further work will be done to identify the children to be targeted by such a scheme in order to commission a suitable service and a further report will be brought back on the detailed options.

3.8 Foster Care advertising and marketing

- 3.8.1 Our approach to foster care advertising has been primarily through human-interest pieces and targeted campaigns based around specific children. The media used include local and national press, local and national radio and television. This approach achieves substantial coverage at nil cost. The marketing officer has estimated the value of this approach at over £40,000 at commercial rates for the newspaper element alone. This approach is considered to be more effective in terms of attracting interest from potential carers than commercial advertising. In addition to this the use of local posters, bookmarks, library displays, council tax envelopes and mail shots also help to maintain a fostering profile in Derby.
- 3.8.2 The marketing campaigns are the responsibility of the full time marketing officer who is also responsible for adoption marketing. Our assessment is that the basic marketing approach is sound but that the "product" is in need of revision to attract

in wider interest, hence the need to look at remuneration options. A re-launch of our fostering service will also need a local focus and the headline of “Local Carers for Derby Children” will be tested with our current carers. We will more actively engage with local communities through specific approaches through Sure Start, New Deal and Black and minority organisations and centres. At the present time we are looking at whether we can identify additional resources to explore this time intensive approach to developing foster care interest.

3.8.3 With Cabinet approval of the proposed improvements detailed in this report we will launch a new campaign to run from late Spring to early summer. To coincide with this new marketing materials including a new logo will be introduced alongside the City Council logo. It is intended that the new logo will become synonymous with the public and carers alike in representing our local fostering service.

3.8.4 One of the lessons for all foster care recruitment is that one of the most successful routes for recruiting new carers is introduction by existing carers. To capitalise on this, the most important element is to ensure that existing carers feel well supported and involved in their work. However, we would like to consult carers about introducing a small reward for successful introduction of new carers to the service.

3.9 Foster Carer respite care scheme

Currently respite care for foster carers is not guaranteed. We do provide respite care but this tends to be agreed on a case-by-case basis and can result in both carers and young people having a less than satisfactory experience. Respite care is more effective when both the carers and the young person know that this is planned and a regular respite carer is identified. It is proposed that we develop a scheme that enables carers and the young person to identify an appropriate carer to provide dedicated respite. Other Authorities operate similar schemes and we will learn from these. Carers tell us that as the need levels and demands of young people increase they need respite opportunities to help them maintain their placements. A sum of £50,000 should be ring fenced for this purpose.

3.10 Foster Carer Training

Good quality foster carer training, both pre and post approval is essential for the overall success of any fostering service. With the increasing complexity of need of children placed in the Looked After system comes the responsibility to ensure that carers are as well equipped as possible to care for and work with these children. Pre approval training is already mandatory for prospective carers. We currently support carers who voluntarily take on NVQ training. Within this approach we would also propose the payment of a one off amount in recognition of carers NVQ training achievements. One off payments of £250 for NVQ level 2 and £350 for NVQ level 3 are proposed.

3.11 This further element of the plan to improve the service was highlighted in the Best Value Review. It is proposed that a foster care development post be established to take the lead on training and developing the respite care proposal as well as some other aspects of the direct work with foster carers, including on-going consultation. The recent changes to the social services department structure have also built in additional management time for the fostering and adoption services.

3.12 Multi-agency support for foster care

It is important that the work needed to make our fostering service viable for the 21st Century has all agencies committed to it. Whilst the Local Authority, and particularly the Social Services Department is the lead agency, Education, Health, the Youth Offending Service and others all have a key part to play. The increasingly complex levels of need presented by children and young people in the looked after system means that foster carers need to know that they will have a reliable package of professional support. Alternatives to school based provision when there are difficulties, specialised therapeutic and psychological support when there are attachment issues, input from the Youth offending service when young people get into trouble, all of these need to be assured if we are going to recruit and retain foster carers and prevent placements breaking down.

- 3.14 A cross agency group has been established to implement the Best Value improvement plan, which includes the improvements for the fostering service. Other agencies will need to maximise their contribution to supporting Children Looked after and their carers. In addition to the two pieces of work highlighted above the group would particularly look at the support needs of foster carers and the role of fieldwork services for Looked After Children as they relate to foster care. The relevant agencies will be encouraged to identify specific resources that can be committed to improve the service for Derby's looked After Children. Additional investment will be made in the area of support both for respite and for increasing the accessibility of therapeutic and family support services for children looked after and their carers. The Child and Adolescent Mental Health Service strategy is also looking at specific investment in this area that will benefit foster carers. Some of the investment agreed by Cabinet for implementing the Best Value Review Improvement plan and modernising the foster care service will be ring fenced specifically for support services. Work is progressing on the details.

OTHER OPTIONS CONSIDERED

- 4.1 Whilst the numbers of Looked After Children remain at the current level we will continue to require a significant level of placement availability with our own foster carers. There is a range of potential options for increasing the attractiveness of fostering for Derby City Council.
- 4.2 Following consultation with carers we are not recommending the development of a comprehensive payment for skills scheme at this point in time. This is an option that can be considered specifically with our current group of Project and Children First carers. It is more important that we respond quickly with a fair and simple means of both improving our allowances and giving some financial recognition to foster carers for their service. Other improvements in how we support and work with carers, as colleagues will also make a big difference to recruitment and particularly retention.
- 4.3 This report has sought to identify potential actions across the whole area of recruitment and retention of foster carers to create a much-improved package of financial and other support and benefits for carers. In social care the position of foster care is changing. The existence of Independent Fostering agencies has shown carers that it is reasonable to expect some financial recognition for their contribution. Carers also expect that the Authority will make reasonable provision

in its fostering allowances to cover the costs of care. This option is an alternative to continuing to increase the percentage of placements bought from the independent sector. Doing nothing is not an option. However, whilst this is the best option available, pressure on placements are likely to remain a feature.

- 4.3 Although there are two areas where more detailed work is required; the contract carer scheme and the support services; it would not be appropriate to hold back the improvements to the other areas outlined in this report whilst that work is completed. Many of these improvements can be rolled out very quickly and provide the basis for a high profile recruitment campaign late spring / early summer.

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Background papers:	Foster Carer results – December 2003
List of appendices:	Appendix 1 – Implications Appendix 2 – Allowance and remuneration details

Financial

- 1.1 The Best Value Review identified the need to increase the investment in the fostering service. In addition to this the Government have recognised the need for increased investment in Children's placement services through the "Choice Protects" initiative. This has been supported by a special grant.
- 1.2 The 2004 – 05 budget process has identified additional resources of £498,000 for fostering. In addition the special grant for "Choice Protects" is £146,000. The majority of the special grant is currently earmarked against external placement costs.
- 1.3 The costs for the implementation of the proposals within this report are as follows:

	2004-05	2005-06
	£	£
Increase in allowances	145,000	150,000
Annual carer payment	108,000	120,000
Qualification payment	4,000	5,000
Length of service payment	26,000	10,000
Introduction payment	1,000	1,000
Respite Care scheme	50,000	55,000
Training and development	36,000	37,200
Carer support services	128,000	125,000
Total	498,000	503,200

- 1.4 **Appendix 2** shows the detail behind the cost implications for the proposals contained in this report. All of the proposals can be introduced in 2004 – 05 within the additional budget allocated as in 1.2 above.
- 1.5 This approach should eventually lead to a reduction in our use of independent sector purchased placements, particularly if our overall numbers of Children Looked After continue to slowly reduce, with corresponding financial savings to set against the costs above. The current budget is based on an expected rise from 34 IFA placements in March 2004 to 48 placements by 1 October 2004, with this volume of placements then being maintained in subsequent years. With the adoption of these proposals, it is reasonable to expect a reduction to 42 placements by 31 March 2005 and 36 placements by 31 March 2006. It is possible that the fall could be more rapid than this during 2005/6, but it would be imprudent to plan on such a basis at this stage.
- 1.6 In spite of this reduction, it is not currently expected that significant net savings in the cost of placements will arise in the 2004/5 revenue budget. This is because; on current trends the budgeted peak of 48 independent sector placements is now expected to be reached by September 2004, slightly earlier than planned. The resulting extra costs of this will be little more than contained by the expected reduction in placements towards the end of 2004/5.

- 1.7 However, savings in subsequent years should be significant. The expected fall in placements would if fulfilled result in a reduction in costs of £380,000 in 2005/6 and £480,000 over a full year from 2006/7, against the approved indicative budget.
- 1.8 The costs of implementing the changes to fostering allowances are already allowed for in the approved budget. However, the 24 February budget report also noted that the Director of Social Services would be bringing forward proposals to show how the developments funded in the 2004/5 budget will be reflected in efficiency savings from 2005/6. £1m of the additional cash limit provided for in the approved 2004/5 Social Services budget is a one-off allocation, and the 2005/6 indicative budget needs to be revised to reflect savings as they materialise. The projected savings from these measures are not therefore available to commit elsewhere.

Legal

- 2.1 The fostering service is part of the network of services that enable the Authority to meet its statutory requirements arising from the 1989 Children Act. The fostering service is also now required to meet national minimum standards as laid down by the National Care Standards Commission.
- 2.2 There will be specific legal requirements arising from the development of a contract carer scheme, particularly in relation to employment and payment matters. These will be addressed within the work for that scheme and will be the subject of a further report.

Personnel

- 3.1 It will be necessary to ring fence some specific officer time to work on these issues and also to help in drawing up the contractual details for prospective carers as we reach the implementation phase. It is envisaged that these costs will be met from within the budgets allocated.
- 3.2 The post referred to in paragraph 3.12 would be recruited to immediately, costs to be met within the allocated budget.

Corporate Themes and Priorities

4. These proposals accord with the Council's theme of **Protecting and supporting people** through social, education, housing and health care services working together to protect vulnerable adults and children, reduce health inequalities and help people live independent lives in the way they choose. They also support the Council's priority to develop plans to modernise the fostering service and residential and community care for adults to meet the level of demand and the requirements of the National Care Standards Commission.

Allowance and remuneration proposals

1. Fostering Allowances

Currently the allowances we pay for children placed in foster care are lower than the level recommended by the Fostering Network. The tables below show the current allowance levels by age band for 2004 – 05 and the effect of our proposed 12% additional increase and how this compares with both fostering networks rates and neighbouring Authorities.

Age Group	Derby 04 -05 £	Foster Network £	Diff £	Derby 04 -05 12%	Derby 04 -05 Increase	Foster Network £	Diff £
Weekly rate							
0 - 4 years	73.73	108.49	-34.76	82.58	+8.85	108.49	-25.91
5 - 10 years	84.04	123.58	-39.54	94.12	+10.08	123.58	-29.46
11 - 15 years	104.58	153.84	-49.26	117.13	+12.55	153.84	-36.71
16 - 18 years	133.41	191.37	-57.96	149.42	+16.01	191.37	-41.95

Authority	0 - 4 years	5 - 10 years	11 - 15 years	16 - 18 years
Staffordshire	70	80	99	126
Derby	73.73	84.04	104.58	133.41
Derby 12%	82.58	94.12	117.13	149.42
Cheshire	77	88	109	138
Derbyshire	79	90	112	143
Dudley	105	120	149	189
Nottingham*	54	68	84	112
Nottinghamshire*	54	68	84	112
Leicester	71	81	100	128
Leicestershire	70	80	99	126

*Compensated through remuneration payments.

The full year effect of the proposed 12% increase, based on current activity levels would be £147,175 including the two weeks holiday allowance for each child placed. The proposed introduction of the enhanced rate from 1st July 2004 would cost £110,381.

2. Festivities allowances

Festivity allowances are currently paid at one times the relevant weekly rate for one festivity (usually xmas) and the child's birthday. It is proposed that we increase this by 50% for the birthday element and by 100% for the festivity element. The table below shows the allowance that would then be payable for each child.

Birthday/Festivity Allowances		Birthday	Festivity
Age	Proposed Rate	+ 50%	+100%
0 - 4	82.58	123.87	165.16
5 - 10	94.12	141.18	188.24
11 - 15	117.13	175.70	234.26
16 - 18	149.42	224.13	298.84

The full year effect of this increase would be £35,000 (assuming an even distribution of birthdays). It is proposed that this increase be introduced from 1st July 2004.

3. Remuneration

3.1 Annual Payment

The payment of an annual lump sum to carers needs to be pitched at a level that would be recognised as significant. An amount that would make a difference in terms of a contribution to a spend of the carers own choice. The payment would be in recognition of the services provided by carers as outlined in paragraphs 3.6.2 and 3.6.3 in the main body of the report. The introduction of a £1000 payment in 2004 – 05 would cost £108,000. (Does not include 17 specific relative carers)

3.2 Qualification Payment

It is proposed that we introduce a one off payment to those carers who have or gain NVQ level 3 in Child Care. A sum of £250 is proposed. Based on current qualifications and expected training activity this year the cost would be approximately £4,000. For future years the cost would depend on training activity but would not be expected to exceed £5,000. In the future these awards would be included in the Social Services Annual qualification awards evening.

3.3 Retention / Length of service payment

It is proposed that we introduce a one off payment for carers achieving 5 years post approval active service and 10 years post approval active service. Sums of £250 and £500 respectively are proposed. The cost for this in 2004 – 05 would be approximately £26,000. The costs for future years, based on current trends would be £10,000. It is proposed that we look at ways in which civic recognition for the contribution that carers make can be acknowledged. For example one option could be a carer awards evening hosted by the Council.

3.4 Introduction / Approval payment

It is proposed that we introduce a payment of £100 to foster carers who introduce a prospective applicant who goes on to become an approved foster carer. It is not anticipated that this will cost more than £1000 in any financial year.

4. Examples

The following are two examples of the difference in income to a foster home that the proposed financial improvements would achieve.

- a) Foster Carer Mrs A. 2 Children placed aged 7 and 12.

Increased allowances:

	7 yr old = £524 + £141 =	£665
	12 yr old = £652 + £176 =	£828
Annual remuneration payment		£1000

Total additional income £2493

- b) Foster Carers Mr & Mrs B (10 yrs experience) 3 children placed aged 11, 13, 16.

Increased allowances:

	11 yr old = £652 + £176 =	£828
	13 yr old = £652 + £176 =	£828
	16 yr old = £832 + £224 =	£1056
Annual remuneration payment		£1000
Retention payment		£250

Total additional income £3962

