



## Report to Policy Committee

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**Report of:** Meredith Dixon-Teasdale, Strategic Director of Children's Services

**Report to:** Education, Children and Families Policy Committee

**Date of Decision:** 19<sup>th</sup> March 2024

**Subject:** Review of fostering payments

Type of Equality Impact Assessment (EIA) undertaken	Initial <input type="checkbox"/>	Full <input checked="" type="checkbox"/>
Insert EIA reference number and attach EIA	2507	
Has appropriate consultation/engagement taken place?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<p><i>"The (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended)."</i></p>		

### Purpose of Report:

As part of our sufficiency strategy, Sheffield City Council are committed to expanding our in-house fostering service whilst continuing to work in partnership with the independent fostering sector. To be able to operate competitively Sheffield City Council need be able to pay allowances in recognition of the need to recruit and retain experienced carers able to commit to the varied challenges of the fostering task. The fostering payment scheme is a reflection of the real need within Sheffield City Council to retain skilled and experienced carers and reward carers for their loyalty and commitment.

**Recommendations:**

We recommend that the Committee

1. Agree the Policy on payments for Foster Carers
2. Approve the variation of payments as proposed

**Background Papers:**

None

**Appendices:**

Appendix 1 – Information about payments to in-house foster carers 2023/24

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed.	Finance: <i>Kayleigh Inman</i>
		Legal: <i>Patrick Chisholm</i>
		Equalities & Consultation: <i>Bashir Khan</i>
		Climate: <i>Kathryn Warrington</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>SLB member who approved submission:</b>	<i>Meredith Dixon-Teasdale</i>
3	<b>Committee Chair consulted:</b>	<i>Cllr Dawn Dale</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Isobel Fisher</i>	<b>Job Title:</b> <i>Assistant Director, Children &amp; Families</i>
	<b>Date:</b> <i>1/2/24</i>	

## 1. PROPOSAL

1.1 As corporate parents our key priorities are;

- Children and young people are nurtured by carers and workers who are well-resourced, valued and supported.
- Carers feel supported and skilled to provide stability for young people through difficult times.

We recognise;

- that high quality local foster care is crucial to achieve better outcomes for children and young people and increased placement stability and choice.
- the skills, experience and commitment of foster carers caring for children and young people
- the role foster carers play in working with families in partnership with SCC

The principles behind the proposed foster care payment scheme long-term are:

- It is simple, fair and easy to understand. This needs to be clearly articulated
- It enables Sheffield City Council to be competitive with local independent fostering agencies and other local authorities.
- It recognises the complex task of fostering other people's children.
- The care payment will meet the Department for Education's national minimum fostering allowance.

The budget setting process is managed in such a way that increases in spend are anticipated and managed.

1.2 To align with our strategic intent and in order to maximise foster carer recruitment and maintain and maximise our current foster carer cohort we propose:

1. We ensure our foster care payments reflect the council priorities on improving education outcomes
2. We review foster care sundries to ensure they remain appropriate and incorporate them to the allowance to ensure simplicity of payment
3. From 2025/6 sundry payments are increased in line with the annual increase to National Minimum Allowances.
4. Level one Skills allowances are not paid until after the foster carers first annual review and completion of National Minimum standards.
5. The levels of Skills payments are not increased at present but are reviewed every two years from 1/4/24 to ensure that Sheffield City Council Offer remains competitive within the market.
6. There is a bonus paid to new foster carers upon first placement post approval and upon completion of the Fostering National Standards within 12 months.

### 1.3 **Sundry payments**

Currently Sheffield pays a range of annual additional payments which cover Birthdays, Celebrations, Holidays, School Uniform, additional clothing, equipment. Although we have increased the fostering allowance and fostering skill payments, we have not increased our sundry payments since 2013. Additional mileage allowance increased from 33p to 45p a mile.

The Fostering Maintenance Allowance is subject to annual review in line National Minimum Allowance as prescribed by Government

To meet our strategic objective of simplified payments, we will wherever possible, simplify the basic allowance and make it all-inclusive to covers all essential day to day costs of caring for a child rather than carers having to negotiate reimbursement of certain costs. This is compatible with payments run by independent agencies. There is now an expectation that carers will budget and manage their money as they do for their own families.

We propose that birthday and cultural celebration allowances increase in line with the uplift in Fostering Maintenance allowance year on year. For 24/25, the additional cost would be £6,000 for birthday and cultural celebrations, and £4,500 to uplift clothing and uniform allowances (paid in emergencies to foster carers).

### 1.4 **Settling in Allowance**

As a result of moving, Discretionary Allowances can be agreed by SFM fostering of no more that £250 to cover emergency clothing or celebration. Expenses can be paid if a child/young person is placed within 3 months before celebrations with the maximum amount of £250 paid if the young person is place in the month of the celebration. This amount would vary depending on when the young person moved in. As an example for a December cultural celebration, we would provide a maximum of October £100, November £175, December £250. The use of a discretionary clothing allowance is already in existence, and using the placement moves from 22/23 as a benchmark we anticipate that this policy will cost no more than £10,000.

### 1.5 **Promoting Education Allowance**

As corporate parents we are unwavering in our commitment to our looked after children's education. In order to do this, we want to support and encourage our foster cares to take holidays in the school holidays. An additional holiday Incentive payment of £250 will added to the current holiday allowance for carers who take their children on holiday in school holidays. There will be no holiday allowance paid to foster carers who remove children from school in term time to take them on holiday.

## 1.6 Technology Support

All secondary school age children should have access to the internet and a basic laptop for homework and communication. It is very rare as a result of working between virtual school, schools and work with foster carers that young people do not have access to a laptop. In order to meet our ambitions for education for all looked after children we propose an allowance to provide equipment for young people who do not have access to their own equipment or to replace equipment which is more than 3 years old of a value up to £500. This will be formalising our current practice, and because of whole of city working for our young people, recent data does not indicate that this will impact very many young people.

## 1.7 Sleeping in allowance

A small number of short-break foster carers receive a sleep-in allowance when the child they care for short breaks requires significant overnight support. It is proposed that this sleep-in allowance is increased to the amount paid to employees of Sheffield City Council who receive a sleep-in allowance- currently £37.00. This would only apply to carers who were providing a short break and not long-term foster carers.

## 1.8 Skill Payments

Our Foster Carer payment scheme also includes a skills payment. The level of fee payment relates to the carers experience and amount of training undertaken and is paid in recognition of the fact that Sheffield City Council needs to be able to have a pool of experienced and well-trained carers able to meet the needs of our children in care.

Foster carers, apart from those that are coming forward to be assessed in relation to specific children, are required to undertake a comprehensive preparation training and assessment process to equip them for the fostering task in line with the requirements under Standard 13 of the Fostering Services National Minimum Standards 2011.

In 2019, a significant overall review of skills payments was undertaken.

1. Payments were significantly increased (see appendix 1).
2. Skills rates were now paid equally per child - Previously rates had been reduced for second and subsequent placements.
3. it was decided to pay the foster skills payment to carers who have successfully undertaken the full recruitment, preparation and approval process.

By way of example of the impact of those changes, for a foster family at level one, who had 2 children, their skills pay increased in 2019/20 by 62%.

From 1<sup>st</sup> April 2024 newly approved carers will not be paid a skills allowance until they have completed their fostering standards AND had

their first review. We propose to replace this with a bonus when foster carers take their first child/placement of £1,000 and a second bonus of £1,500 if they complete their fostering standards within 12 months. The Skills payment levels will be subject to review every 2 years (from 1/4/24) to ensure the authority remains competitive- but we note that the increase in skills payment in 2019 was significant, and above inflation. Therefore, the review will not be a commitment to increase in skills payments.

The impact of this in terms of cost is variable as the number of approvals varies. Using 23/24 approvals of 16 foster carers we would not pay £124k in skills fee but would instead pay £40k in bonus. Leaving a net reduction in spend of £84k.

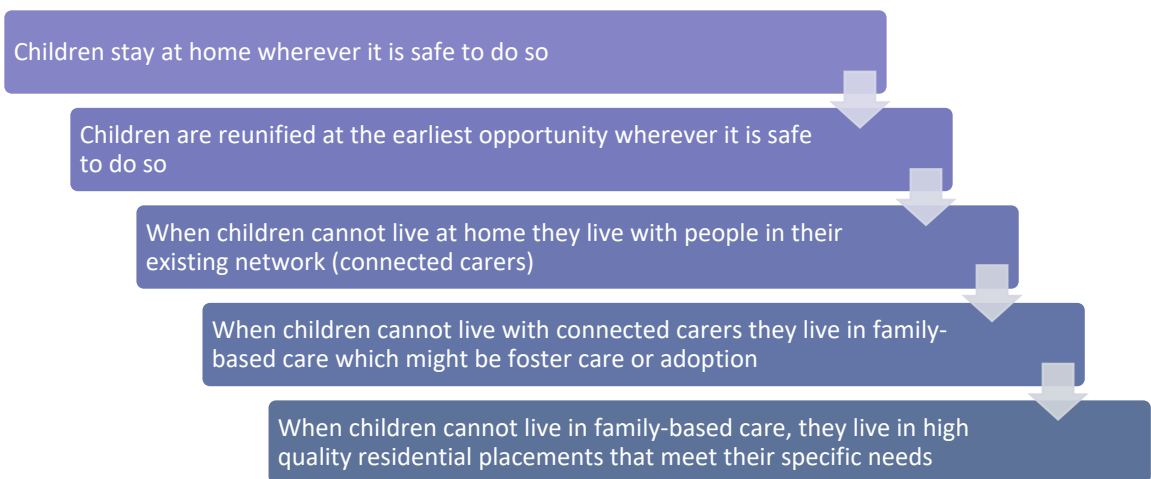
## **2. HOW DOES THIS DECISION CONTRIBUTE ?**

2.1 Central to our Council Plan is Children. We as a city are committed to ensuring that Sheffield is *'a place where all children belong and all young people can build a successful future'*

Committee endorsement of the proposal will allow Children and Families to respond to the need to have sufficient foster carers for our young people in particular to the Council plan:

1. Relentlessly promoting education outcomes for looked after Children through providing a holiday allowance that is suitable for taking children away in school holidays
2. Maintaining and growing our inhouse foster carers which will Supporting our looked after children who are placed in foster carer to belong in their communities rather than having children placed out of city
3. Together we get things done: we want to work with our current foster carers to have a clear communication plan for the review of foster carer payments, so that we are clear and foster carers can readily understand their payments and any review process

The review of payments align to our key principles in managing demand and sufficiency in Sheffield as outlined in the diagram below



2.2 Committee endorsement will also allow Children and Families in to progress the response to the sufficiency challenge in particular:

- Changing demographics of children in care
- Increasing complexity of children and young people
- Rising placement costs
- Increasing numbers of Unaccompanied Asylum-Seeking Children
- National shortage of foster carers leading to increasing numbers of children in residential placements

### 3. HAS THERE BEEN ANY CONSULTATION?

3.1 This decision does not require formal consultation. However, we have a range of methods of consulting with foster carers throughout the year. These include

1. Annual Foster carer survey
2. Regular face to face meetings and events with Assistant Director and Service Manager participation
3. Foster carer voices group who feedback directly to the LA
4. Feedback from supervising social workers to management of individual feedback from foster carers

### 4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

#### 4.1 Equality Implications

4.1.1 Decisions need to consider the requirements of the Public Sector Equality Duty contained in Section 149 of the Equality Act 2010.

This is the duty to have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;

- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The Equality Act 2010 identifies the following groups as a protected characteristic: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation. Also identified and considered is care experience which is now treated as a protected characteristic in Sheffield.

- 4.1.2 An Equality Impact Assessment has been carried out and has identified that the changes to the way that we pay our foster carers will impact our foster carers and young people in a range of ways. As of 1/2/24 there are 679 looked after children in Sheffield and 314 of these have a foster placement within Sheffield via the Local Authority. 22/23 data shows that 36% of our looked after children live outside of Sheffield, and therefore outside of their community. In 22/23 65% of looked after children were in a foster placement, compared to 70% nationally.

To provide the right number and type of homes for children and young people the CLA population are monitored to ensure we can meet their varying needs as best as possible, eg identifying and recruiting family based carers from a variety of different backgrounds. In order to do this it is vital that the amount that foster carers are remunerated is sufficient and that the way of communicating how foster carers are paid is clear, transparent and easy to understand so that we can maximise the number of new foster carers that we recruit and also maintain our current cohort of foster carers

- 4.1.3 Education

Looked after children have worse educational outcomes than their non-looked after peers. The promoting of a school holiday allowance will increase all foster carers holiday allowances by £250 per child as long as this is taken during school holidays will support children to better achieve educational outcomes.

The provision of a laptop wherever young people do not have access through the virtual school/their education setting as a policy decision will also have a positive impact on children who are care experienced to give them the best opportunity for education outcomes.

- 4.1.4 Level one Skills allowances are not paid until after the foster carers first annual review and completion of National Minimum standards.

In 2019 Sheffield allowed new foster carers to have their skills payment before they had completed their national minimum standard. We are proposing that this decision is reversed from the 1/4/24 to any new foster carer who makes an enquiry and begins the process. This decision will have a negative financial impact on new foster carers financially who have not yet completed their National Minimum Standards.



This immediate payment of skills payments has resulted in two unintended consequences:

- Firstly, it appears to have demotivated carers to complete the Fostering Standards work in a timely manner, meaning that our foster carers are not getting the skills training as swiftly as they did in the past. This training is critical in supporting the challenging situations that foster carers can face supporting our children
- Secondly it is resulting in significant long term increased spend in situations where connected carers are approved for a short period whilst long terms plans are agreed for children. This creates a massive financial disparity for connected carers in very similar situations.

In order to mitigate the impact we are proposing two new bonuses. £1,000 upon a new foster carers first placement, and £1,500 upon completion of the fostering standards withing 12 months

This will have a positive impact on care experienced children, as having skilled foster carers increases their ability to meet the complex needs of our children.

- 4.1.5 Simplifying foster carer payments and increasing sundry payments in line with the annual fostering payment increase.

#### Financial and Commercial Implications

- 4.2.1 The impact of the proposed changes to allowances is estimated below .

##### **Removal of Skill Payments and Introduction of Year 1 Bonuses.**

To standardise practice with other LA's and Independent Agencies, the payment of a skills payment as soon as a placement has been arranged will be stopped, for all new foster carers from April 2024. Eligibility for skills payments will begin in year 2.

- 4.2.2 Based on the number of new foster carers in 23/24, and assuming a similar level is approved in 24/25, this policy change we would avoid skill payments of £124k.

Instead, a bonus scheme will be introduced, offering a £1,000 payment upon agreement of a first placement. A further £1,500 payment would be made to foster carers completing their Foster Care Standards (training) within 12 months.

Again, based on an assumed 16 new starters, who all agreed placements and completed their training within 12 months, this would cost approx. £40k. If a foster carer chose to take longer to complete their Standards, they would not receive the £1,500 bonus.

- 4.2.3 **Uplifting Sundry Payment by NMA %**

To increase the birthday and celebration allowances, and the uniform/clothing allowances by the same percentage as the National Minimum Allowance uplift

(6.88%) will cost an estimated £8,500 for 24/25, based on the number of current carers claiming these payments, and the current age of children and young people in foster care.

- 4.2.4 To increase the sleep-in allowance for all our current short breaks foster carers who are eligible to receive this payment will cost £1,500 for 24/25.
- 4.2.5 **Introduction of School Holiday Incentive**  
The proposal to introduce an additional payment of £250 for foster carers who opt to take their holiday during school breaks, could cost up to £57k. This has been estimated based on our current numbers and assumes all existing foster carers opted to take up this offer.
- 4.2.6 **Technology Support Fund**  
A fund will be set aside to ensure children in foster care have access to a laptop/tablet. A max of £500 per child/YP could be paid. It is anticipated there will not be many children who do not currently have such access, so provision of £5,000 is proposed.
- 4.2.7 **Settling In Allowance**  
A discretionary fund will be set aside to ensure children/young people are suitably provided for upon moving into a new foster placement. A maximum payment of £250 could be made subject to approval of the Senior Fieldwork Manager in Fostering. The estimated cost of this based on 23/24 is £10,000.
- 4.2.8 The overall impact of the proposed changes to the fostering allowances is neutral. (see table below)

Removal of Skills Fee	-124,000
Foster Bonus	40,000
Sundry Uplift	10,500
Sleeping in Allowance for Short breaks foster carers	1,500
School Holiday Incentive	57,000
Technology Support Fund	5,000
Settling in Allowance	10,000
Total	-0

The revised allowances, after accounting for the NMA uplifts to maintenance payments and sundry allowances are as follows:

Weekly payment for foster carers (excluding skills payment and including the 6.88% uplift)

2024/25 Costs	0-5	5-10	11-15	16+
Weekly Payments				
Maintenance Allowance per week	170	187	213	249
Annual Payments				
Birthday Allowance per year	139	160	235	289
Festival Allowance per year	139	160	235	289
School Holiday Allowance	505	540	695	755

Holiday payments would continue to be paid separately.

The revised weekly maintenance rate per age group would be as follows:

	0-5	5-10	11-15	16+
Maintenance Payments@ 24-25 Rates	175	193	222	260

### 4.3 Legal Implications

- 4.3.1 Local Authorities are required to take steps to secure, so far as is reasonably practicable, sufficient accommodation for Children in Care within their local area. In 2010 the Statutory Guidance for the sufficiency duty was issued. This guidance is explicit in placing a duty on Local Authorities to act strategically to address gaps in provision by ensuring they include in relevant commissioning strategies their plans for meeting the sufficiency duty.

The sufficiency duty is a measure, which is part of a broad suite of guidance, and legislative provisions introduced to improve outcomes for children in care. Local Authorities should consider the sufficiency duty in tandem with their duties towards children within their area under S17(1), 20, 21, 22C and 23 of the Children Act 1989.

Section 22G Children Act 1989 also imposes a duty on local authorities to take steps that secure, so far as reasonably practicable, that the local authority is able to provide looked after children with accommodation within the authority's area that meets the needs of those children, where circumstances are such that it would be consistent with the children's welfare for them to be provided with accommodation.

In taking steps to secure the provision of accommodation, the local authority must have regard to the benefit of having a sufficient number of accommodation providers in their area and a sufficient range of accommodation in their area capable of meeting different needs.

A failure to meet the general sufficiency duty could result in a legal challenge which could have significant costs implications.

Ensuring that our in house foster carers are appropriately remunerated is critical to our sufficiency duty in so much as

- It will increase the likelihood of foster carers choosing Sheffield as their provider of choice
- It will support the retention of our current foster carer cohort

4.3.2 The proposal is to commence in April 2024. Any increase to sundry payments, and school holiday pay would be put in place from the 1/4/24. However, any person/s who is currently in assessment (not enquiry stage) as a foster carer would not have the skill payment removed from them. This policy change therefore has no direct legal implications as it is a change in policy for new prospective carers rather than the current cohort.

#### 4.4 Climate Implications

4.4.1 No direct climate implications arise from this report. The Sustainability and Climate Change Team has been consulted and are in agreement no further action is required on CIA.

#### 4.5 Other Implications

There are no specific other implications for this report

## 5. **ALTERNATIVE OPTIONS CONSIDERED**

### 5.1 **Do nothing**

Our current pay for foster carers puts us as competitive against our regional neighbours. However:

- Foster cares feel undervalued by the Local Authority and resign.
- Negotiation regarding fostering allowances take place on an annual basis – leading to confusion and dissatisfaction.
- Our current policy does not champion our strategic commitments to education and belonging
- Paying skills payment before a foster carer has completed their training has led to
  - demotivated cares to complete the Fostering Standards work in a timely manner, meaning that our foster carers are not getting the skills training as swiftly as they did in the past. This training is critical in supporting the challenging situations that foster carers can face supporting our children
  - Secondly it is resulting in significant long term increased spend in situations where connected carers are approved for a short period

whilst long terms plans are agreed for children. This creates a massive financial disparity for connected carers in very similar situations.

This option has been discounted

5.2 **Increase all skills payments by the same percentage as the annual fostering national minimum allowance**

Our current skills payments are made per child and are competitive against our regional local authorities. Increasing skills payments by 6.8% would cost £175,200.

Fees were increased considerably in 2019, and the decision to pay the full amount per child rather than providing foster carers with a reduction in payment for subsequent children was also introduced.

Increasing the skills fee annually given this significant increase in recent years does not represent good value for money for the council and therefore has been discounted.

**6. REASONS FOR RECOMMENDATIONS**

6.1 The Placement Sufficiency Strategy for Children Looked After (CLA) and Care Leavers 2023 – 2026 will ensure the Council has set out its commitment in line with its duty to ensure that there is a range of sufficient placements which meet the needs of children and young people in care.

Reviewing the foster carer payments is a key part of this strategy to ensure that we maximise family based care for children in Sheffield.

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