

## ABERDEEN CITY COUNCIL

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COMMITTEE	<b>Education and Children Services</b>
DATE	<b>2 June 2015</b>
DIRECTOR	<b>Gayle Gorman</b>
TITLE OF REPORT	<b>Fees and Allowances Paid to Foster Carers, Adopters and Associated Services</b>
REPORT NUMBER	<b>ECS/15/029</b>
CHECKLIST COMPLETED	<b>YES</b>

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### **1. PURPOSE OF REPORT**

This report seeks committee agreement to the various fees and allowances paid to foster carers, adopters, kinship carers and carers who provide supported lodgings. It also sets out the fees paid to Curators-ad-litem, Reporting Officers and Panel Chairs. The report details the proposed increases/changes to these fees and allowances.

### **2. RECOMMENDATION(S)**

Committee is asked to:

- i. Approve with effect from 1 April 2015 a 1% increase in the level of :
  - Fostering Allowance (5.1)
  - Payment for Skills fees (5.2)
  - Adoption Allowance (5.3)
  - Curator-ad-litem/Reporting Officer fees (5.7)
  - Supported Lodgings Allowance (5.8).
- ii. Approve with effect from 1 April 2015 that there be no change to the level of fee charged for:
  - Inter-Country Adoptions (5.4)
- iii. Approve with effect from 1 April 2015 that there be no change to the level of fee charged for:
  - Independent Chairs of Adoption and Permanence/Fostering Panels (5.5)
- iv. Approve with effect from 1 April 2015 changes to the level of allowance paid to kinship carers to achieve parity with the allowance paid to foster carers. (5.6)

### 3. FINANCIAL IMPLICATIONS

All costs for the above will be met from within the existing budget.

### 4. OTHER IMPLICATIONS

None

### 5. BACKGROUND/MAIN ISSUES

#### 5.1 Fostering Allowances

- 5.1.1 Aberdeen City Council pays foster carers a fostering allowance to cover the costs associated with caring for a child and a fee in recognition of the service they provide.
- 5.1.2 In 2005 Aberdeen City Council took the decision to adopt the fostering allowance rates recommended by “The Fostering Network” (tFN). In 2011 the Social Care and Wellbeing Committee moved away from paying the tFN recommended allowance. This followed tFN recommending an increase of 5.1%. Given the financial climate most local authorities chose not to implement this increase. In recent years tFN have continued to recommend increases to the fostering allowance in excess of the budgetary increases local authorities have been awarded. For 2015/16 tFN have recommended a 1.8% increase.
- 5.1.3 In 2012 the Scottish Government commissioned a National Review of Foster Care. Part of the remit of this review was to consider the remuneration of foster carers. (The respective governments in England and Wales set the level of fostering allowance paid to foster carers. In Scotland each Local Authority sets its own allowance.) While the National Review of Foster Care Report did not make any substantive recommendation in relation to the level of fostering allowance paid to foster carers the Scottish Government in February 2015 intimated a wish to revisit how fostering allowances are most appropriately determined.
- 5.1.4 In recognition of the continuing increase in the cost of living Aberdeen City Council has in recent years approved year on year increases to the level of allowances/fees paid to foster carers. **It is recommended that a similar approach is agreed for the coming year and that an increase of 1% is made for the coming year.** The rates are payable over 56 weeks to enable the equivalent of 4 weeks allowances to be paid as holiday, Christmas/Religious festival and birthday allowances.
- 5.1.5 Table 1 below details the costs associated with this allowance.

Table 1

Age Group	No. of Children	2014/15 Weekly Rate	2015/16 Weekly Rate
0 – 4	49	128.88	130.17
5 – 10	33	146.80	148.27
11 – 15	33	182.75	184.58
16 – 18	9	222.28	224.50

\*These figures are based on the number of children in a foster placement as of 1 March 2015 and do not include children who receive regular respite.

5.1.6 Based on these figures the projected spend for 2015/16 is **£1,085,431**

## 5.2 Payment for Skills

5.2.1 The Payment for Skills scheme has been operational since 2003/04. This scheme pays a fee to foster carers in recognition of the service they provide.

5.2.2 Foster carers provide children of Aberdeen City with a dedicated and committed service. They provide care and stability 24 hours per day, supporting many children who present complex and challenging behaviours. In addition they actively contribute to the planning for the child's future needs.

5.2.3 The fostering service operates in a competitive market with foster carers increasingly approaching a number of agencies before making a definitive approach. It is therefore important that Aberdeen City Council fostering service remains competitive both in terms of the fee paid as well as the standard of service/support provided to its foster carers.

5.2.4 The numbers of children requiring a foster resource continue to grow both locally and nationally. It is therefore important that Aberdeen City Council continues to grow its fostering service to meet this need. As part of the Priority Based Budget process shifting the balance of care is one of the Service priorities i.e. reducing the numbers of children placed in high cost external placements to a more local provision. To meet this need and deliver on this priority it is important that the fostering service continues to offer competitive remuneration to its foster carers.

5.2.5 Recruitment over the past year has been challenging. High employment levels and the high cost of property locally are factors which have affected the level of recruitment. In conjunction with colleagues in Corporate Governance the service has developed a recruitment strategy for the coming year. This will require a level of investment to achieve its outcomes. Hopefully this will contribute to a more successful outcome for the coming year where we have set a target to recruit 20 new carers.

5.2.6 In recognition of the financial pressures on the local authority but also with a need to remain competitive with other foster providers **it is**

**recommended that there is a 1% increase in the fee for year 2015/16.**

5.2.7 The cost of placing a child with an Independent Fostering Agency vary from £50,000 - £85,000 per annum and these costs are significantly higher than the costs associated with placing a child on an in-house basis. It is not only the financial costs that are significant. The cost to children being placed far from their home, families and communities are also significant. It is therefore important that the Fostering Service continues to develop its service to allow more children to be placed locally.

5.2.8 The costs of the fees are detailed in Table 2 below.

Table 2

Level	No. of Carers	2014/15 Annual Fee	2015/16 Annual Fee
1	22*	8114	8195
2	55*	12,169	12291
3	23	16,228	16390
4	8	20,057	20258
ARC Scheme	3	27,320	27593
Total	111		

*\* These figures are based on the number of approved carers not all of whom provided full time foster placements.*

Based on these figures the projected spend for 2015/16 is **£1,178,993.20\***

5.2.9 From time to time there may be exceptional circumstances where a higher fee is paid in order to facilitate the return of a child from a high cost out-of-authority placement. Where this is the case the fee is agreed by the Head of Service.

\* This figure includes respite carers who receive a pro-rata fee for the duration of each placement.

### **5.3 Adoption Allowances**

5.3.1 **It is recommended that for the year 2015/16 adoption allowances, as with the fostering allowance, are increased by 1%.** Adoption Allowances are paid on a 56 week basis to allow for holidays, birthdays and Christmas/religious festival celebration. Adoption allowances are paid having considered the needs of the child and the financial circumstances of the adopters.

5.3.2 Enhancements are currently paid for 4 children reflecting the complex/life limiting needs of the children or the circumstances by which adoption could be achieved. In the latter cases this was seen as a “spend to save”, removing children from a high cost out-of-authority care placement.

5.3.3 Children placed with prospective adopters on a fostering basis receive an allowance equivalent to the adoption allowance pending the

conclusion of legal proceedings. This reflects the task the prospective adopters have assumed and allows for consistency in allowances paid in respect of the child post adoption. There is no Payment for Skills fee in respect of adoptive or prospective adoptive parents.

5.3.4 The Adoption & Children (Scotland) Act 2007 recognised that for some children who cannot be returned home, given their life history and the secure attachments they have formed with their foster carers adoption can be hard to achieve. It however recognised that for these children adoption often still offers the most positive outcome. The 2007 Act made provision for foster carers to continue to receive their fostering fee for a period when they adopt the children they are caring for.

5.3.5 Over recent years there has been a small but noticeable uptake in the number of foster carers claiming through adoption the child/children they are caring for. While these offer the best outcome for the child it requires a continuing financial commitment by the local authority to support these placements.

5.3.6 The resultant costs are detailed in Table 3 below.

Table 3

Age Group	No. of Children receiving Adoption Allowance	2014/15 Weekly Rate	2015/16 Weekly Rate
0 – 4	5	<b>74.67</b>	<b>75.42</b>
5-10	36	<b>92.68</b>	<b>93.61</b>
11 – 15	33	<b>115.36</b>	<b>116.51</b>
16 – 18	4	<b>149.37</b>	<b>150.86</b>

5.3.7 Child benefit is deducted from this allowance prior to payment in acknowledgement that adopters are eligible to claim this universal benefit (£13.40 per child per week.). Accordingly based on these figures the projected spend for 2015/16 is **£409,752.**

5.3.8 Adopters can claim a Legal Expenses Allowance up to £300.00 to contribute towards the legal costs involved in adopting a child. Adoption is a private legal action and not something the Local Authority can be party to. This payment replicates practice in neighbouring authorities. The costs associated with this allowance will be met from within the existing budget available to the Adoption Service.

## **5.4 Inter-Country Adoptions**

5.4.1 As well as receiving applications from people interested in adopting a local child the Local Authority has a legal duty to consider applications from people interested in adopting a child from overseas. Unlike other adoption applications the legislation allows local authorities to charge a fee for undertaking the necessary assessment and work associated with an Inter-Country Adoption (ICA) application.

5.4.2 The standard of assessment in an ICA is no different from other adoption assessments. What is different is the work associated with placing a child from overseas. The immigration issues are often time consuming and complex. Consequently there is a need to communicate regularly with Scottish Government officials to progress an adoption once the assessment has been concluded.

5.4.3 In addition different countries have different expectations on the local authority once a child is placed with adopters. Some countries require regular and detailed updates for up to three years post placement giving feedback on the welfare of the child.

5.4.4 At present Aberdeen City charges ICA applicants £5000.00 to cover the costs associated with this work. The number of ICA applications in Aberdeen City is relatively low (often no more than 1 or 2 per year). The level of fee charged is consistent with many other authorities but not all. **It is proposed that there is no change to the above fee.**

## **5.5 Fee Paid to the Independent Chairs of the Adoption/Permanency and Fostering Panels.**

5.5.1 In line with Scottish Government guidance and consistent with the practice of most Local Authorities the chairs of Aberdeen City Council's Adoption & Permanency Panel and Alternative Family Care Panel (2 Panels) are independent of the Local Authority. These appointments promote the independence and scrutinising role of the Panels. Due to the need to retain an Independent Chair of both Panels an allowance is paid to the Chairs.

5.5.2 These Panels fulfil a statutory function and meet on an alternate weekly basis. The time involved in attending and preparing for each panel is approximately 10/15 hours per panel.

5.5.3 In 2015 Aberdeen City Council agreed to increase the level of payment to panel chairs to £250.00 per panel. This increase brought the Council into line with many other authorities. This change represents an **annual cost of £12,000** (based on 48 panels per year).

5.5.4 It is recommended that for the coming year there is no change to the level of payment. The cost associated with this allowance is met from within the existing budget.

## **5.6 Kinship Carer Allowance**

5.6.1 Kinship Care is the term used to describe the placement of children with extended family members or friends where they cannot live with their parents. The Local Authority only has responsibility for those children it places with family members and/or are subject to statutory orders. The Service does not have responsibility for arrangements which family members make.

- 5.6.2 In order to support these arrangements the Local Authority pays an allowance (to cover the costs associated with caring for a child) to approved kinship carers. In 2011 and 2012 the Social Care and Wellbeing Committee agreed a significant investment in support of kinship carers. This brought the level of allowance paid to kinship carers for children in their care up to approximately 75% of the allowance paid to foster carers for children in their care.
- 5.6.3 In 2014 seven Scottish Local Authorities were contacted by the Equalities and Human Rights Commission (EHRC) to challenge the level of payment of allowances made to kinship carers. They highlighted that the legal status of a looked after child placed with foster carers was the same as a looked after child placed with kinship carers. Accordingly they argued kinship carers should receive parity in the level of payment. This argument followed a Court decision in England that supported this position.
- 5.6.4 The EHRC have contacted a further four local authorities regarding this issue. Given there is not parity in the level of allowance Aberdeen City Council pays to its kinship carers it is recognised that if we do nothing there is a risk to the Council of litigation and reputational damage.
- 5.6.5 In February 2015, the 32 Scottish Local Authorities, along with the Scottish Government, Social Work Scotland and other interested representatives met to agree a consistent approach to this issue. The model recommended to ensure parity is that used by North Ayrshire. Through this model kinship carers are supported to maximise their income for the child via the Benefits Agency i.e. child benefit and Tax Credits. Having done so, the Local Authority “tops up” this income to ensure parity with the allowance paid to foster carers. (Foster carers cannot claim these state benefits.)
- 5.6.6 This approach will achieve parity for kinship carers. It will also mean that the amount the Local Authority pays each kinship carer will differ according to their individual circumstances.
- 5.6.7 Some preliminary work on 10 cases has highlighted that based on the figures in table 4 this will on average incur an additional spend of £676.18 per annum per child. There are currently 71 children in a kinship placement. **Based on this figure this will incur an additional spend of £48,009, bringing the total spend to £432,705.**
- 5.6.8 At the meeting in February 2015 the Scottish Government indicated that they would be willing to consider providing some additional funding to Local Authorities to mitigate this cost although no mention was made to the level of support.
- 5.6.9 It is recognised that this solution is only a temporary solution. The introduction of Universal Credit will bar kinship carers claiming any state benefits for looked after children – these costs being seen as the responsibility of the Local Authority. When Universal Credit is implemented this will have a far greater financial impact on Local

Authorities. The position is further complicated by the ongoing debate as to which powers will be devolved to the Scottish Parliament as part of the Smith Commission.

5.6.10 Table 4 below details the costs associated with this allowance.

Table 4

Age Group	No. of Children	2014/15 Weekly Rate	2015/16 Weekly Rate
0 – 4	21	92.21	130.17
5 – 10	31	107.35	148.27
11 – 15	18	133.63	184.58
16 – 18	1	165.64	224.50

5.6.11 In 2011 the Social Care and Wellbeing Committee agreed to establish a Permanent Kinship Allowance. There are a number of children for whom a return to their parents care is neither safe nor in their best interests. Many such children don't need to remain within the "looked after" system, a system which does not offer them any sense of security or predictability. Many kinship carers are put off securing the child permanently due to financial worries – they would cease to receive the kinship allowance. The Permanent Kinship Allowance allows them to do so and where their circumstances allow continue to receive an allowance.

5.6.12 The Permanent Kinship Allowance is set at 60% of the full allowance and is means tested. (This reflects the parity between the fostering allowance and the adoption allowance.) It is proposed that it continues to be paid on the same ratio as was agreed in 2011.

Table 5

Age Group	No of Children	2014/15 Weekly Rate	2015/16 Weekly Rate
0 – 4	8	55.88	78.10
5 – 10	8	65.04	88.96
11 – 15	5	80.98	110.75
16 – 18	1	100.37	134.70

5.6.13 As with the kinship allowance kinship carers receiving a permanent allowance will be supported to maximise their income via the benefits agency. Having done so we would "top up" the amount we pay to equal the above levels of payment. **Based on these figures the projected spend for permanent kinship allowances for 2015/16 is £66,694.**

5.6.14 When the Kinship Allowance was introduced in 2011 it was recognised that some existing carers might not want to access this allowance given the increased level of assessment the legislation required. In addition for some they could be financially worse off due to the impact this allowance could have on other benefits. As a result a small number of children (4) continue to be cared for by carers who are paid under the old "Linkcarers" scheme. This number will continue to diminish over the coming years as these children leave the care system.

## 5.7 Curator ad-litem/Reporting Officer Fees

5.7.1 In 2007 Resources Management Committee agreed the levels of fee paid to Curators-ad-litem/Reporting Officers. The fee set was in recognition of the difficulties in recruiting officers to produce such reports. Work was undertaken with Aberdeenshire Council and Moray Council to ensure a consistency of fee across authorities given that the three authorities tend to access the same Curators and Reporting Officers.

5.7.2 The three authorities **are proposing a 1% increase to the level of fee paid to Curators ad-litem and Reporting Officers for the coming year.**

5.7.3 Aberdeen City Council along with all Local Authorities has a statutory duty to recruit Curators ad-litem and Reporting Officers who are in turn appointed by the Courts to report on certain cases involving children. The Local Authority has no control over the volume of work undertaken by Curators ad-litem and Reporting Officers.

5.7.4 The fee structure is detailed in table 6 below.

Table 6

	Fees 2014/15	Fees 2015/16
<b>Curator ad Litem Reports</b>		
Appointment by Court	259.90	262.50
Second and Subsequent Children	129.95	131.25
<b>Joint Curator ad Litem and Reporting Officer Reports</b>		
Appointment by Court	389.83	393.73
Second and Subsequent Children	194.92	196.87

5.7.5 The payment of a mileage allowance at the standard rate of 40p per mile will be paid.

## 5.8 Supported Lodgings Scheme

5.8.1 The Council runs a Supported Lodgings scheme that is accessible to vulnerable young adults (from aged 16 to 21) who have previously been looked after and who would benefit from living with a family or single person. The person providing the lodgings (the carer) is paid a weekly allowance.

5.8.2 It is proposed that the fee of £207.50 is increased by 1% to £209.58 in order to attract and retain carers.

5.8.3 The Service user is expected to make a small contribution towards part of this cost.

5.8.4 The legislation in relation to young people leaving care is due to change in the coming year. This recognises that young care leavers

are often not as prepared to live independently as they need to be. As a result of new legislation young people in certain circumstances will be able to remain in their care placement up to the age of 21. It is unclear what impact this change in legislation will have on young people wishing to access Supported Lodgings. Accordingly we will review where this service fits within the wider spectrum of services for care leavers.

## **6. IMPACT**

The fee's and allowances paid to foster carers, adopter's, kinship carers and carers who provide supported lodgings reinforces the Council's duty to provide effective services to children and young people that safeguard and protect their safety and wellbeing as well as ensuring all services are targeted towards reducing inequalities and improving outcomes. These expectations are consistent and fully aligned to the Council's Single Outcome Agreement.

## **7. MANAGEMENT OF RISK**

This report outlines how as a Local Authority we are supporting foster carers, adopter's, kinship carers and carers who provide supported lodgings. The levels of payment to kinship carers has been a source of national debate and the proposals in relation to achieving parity of allowance for kinship carers mitigates against the risks faced by local authorities with regard to litigation and reputational damage.

Payment to carers will be met from within existing resources.

## **8. BACKGROUND PAPERS**

None.

## **9. REPORT AUTHOR DETAILS**

Graeme Simpson  
Children's Services Manager  
[gsimpson@aberdeencity.gov.uk](mailto:gsimpson@aberdeencity.gov.uk)  
01224 523496