

ABERDEEN CITY COUNCIL

COMMITTEE	Operational Delivery
DATE	17 th January 2019
REPORT TITLE	Payment to Foster Carers, Adopters and Associated Services.
REPORT NUMBER	<i>OPE/19/082</i>
DIRECTOR	Rob Polkinghorne
CHIEF OFFICER	Graeme Simpson
REPORT AUTHOR	Isabel McDonnell
TERMS OF REFERENCE	Remit 1

1. PURPOSE OF REPORT

This report seeks committee agreement to the payments 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 approve, subject to City Growth and Resources Committee of 7 February 2019 agreeing that any additional funding required shall be committed from the Council Contingencies as per paragraph 4.4 of this report, the following :

- 2.1 With effect from 1st January 2019 a 3% increase in the level of:
 - Fostering and Kinship Allowance
 - Payment for Skills fees
 - Adoption Allowance
- 2.2 Supported Lodgings Allowance 1% increase
- 2.3 Curator-ad-litem/Reporting Officer 1% fee increase
- 2.4 Approve that there be no change to the level of fee charged for:
 - Inter-Country Adoptions
- 2.5 Approve that there be no change to the level of fee for:
 - Independent Chairs of Adoption and Permanence/Fostering Panels

3. BACKGROUND

Fostering Allowances

- 3.1 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.
- 3.2 The National Review of Foster Care Report in 2014 did not make any substantive recommendation in relation to the level of fostering allowance paid to foster carers. However, the Scottish Government have indicated during the Scottish Care Review their intention to revisit how fostering allowances are determined.
- 3.3 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 3% is made for the coming year. This reflects the increase in cost of living and that in 2017/18 an increase was not sought. 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.

Table 1

Age Group	No of Children*	No of Weeks	Proposed Rate	Total	Current Rate	Total
0-4	38	56	135.41	288,152	131.47	279,768
5-10	21	56	154.24	181,386	149.75	176,106
11-15	19	56	192.02	204,309	186.43	198,362
16-18	11	56	233.55	143,867	226.75	139,678
Total (per annum)			715.22	817,715	694.40	793,914

**These figures are based on the number of children in a foster placement as of 11/12/18 and do not include children who receive regular respite.*

- 3.4 Based on the number of children in a foster placement in Table 1, the spend under the present rates per annum will be **£793,914**. Under the proposed rates the spend will be **£817,715**. This represents an increase of **£23,801**.

Payment for Skills

- 3.5 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. Over the coming year it is the intention of the service to review the payment for skills structure to reflect the complexity of the task

- 3.6 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 and in light of the provisions under the Children and Young People (Scotland) Act 2014 legislation permits young people in certain circumstances to remain in their care placement up to the age of 21 years receiving continued care.
- 3.7 The fostering service operates in a competitive market with prospective 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.
- 3.8 A dedicated team was established to focus on the recruitment and assessment of carers (adopters and foster carers) to ensure the local authority is well placed to meet the needs of children who cannot be cared for by their family. A Recruitment strategy has been progressed over the past year and bi monthly events have been held to profile fostering and adoption in addition to other targeted activity. Recruitment does remain challenging; high employment levels locally and the cost of property are factors which contribute to the level of recruitment in addition to the recruitment undertaken by Independent Fostering Agencies. Over the coming year it is anticipated that with increased advertising exposure this will contribute to an increase in carers.
- 3.9 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 3% increase in the fee for year 2018/19.
- 3.10 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.
- 3.11 The costs of the fees are detailed in Table 2 below.

Table 2

Level	No of Carers*	Proposed Fee (p/a)	Total	Current Fee (p/a)	Total
1	8	8,525	68,200	8,277	66,216
2	37	12,786	473,082	12,414	459,318
3	21	17,051	358,071	16,554	347,634
4	9	21,075	189,675	20,461	184,149
ARC	2	28,705	57,410	27,869	55,738
Total (per annum)		59,437	1,089,028	57,706	1,057,317

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

3.12 Based on the number of carers identified in Table 2, spend under the present rates per annum will be **£1,057,317**. Under the proposed rates the spend per annum will be **£1,089,028**. This represents an increase of **£31,711**.

Adoption Allowances

3.13 It is recommended that for the year 2018/19 adoption allowances, as with the fostering allowance, are increased by 3%. 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.

3.14 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.

3.15 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.

3.16 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.

3.17 Over recent years there has been a small but noticeable increase 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.

3.18 The resultant costs are detailed in Table 3 below.

Table 3

Age Group	No of Children	No of Weeks	Proposed Rate	Total	Current Rate	Total
0-4	7	56	78.46	30,756	76.17	29,859
5-10	31	56	97.39	169,069	94.55	164,139
11-15	26	56	121.21	176,482	117.68	171,342
16-18	11	56	156.94	96,675	152.37	93,860
Cost Before Child Benefit Deduction						
				472,982		459,199
Less Child Benefit Deduction*						
				-52,572		-52,572
Total (per annum)						
				420,410		406,627

**The current estimates for Child Benefit Deductions are based on the latest adoption payment run for 17th January 2019, estimated at £1,011 per week.*

- 3.19 Child benefit is deducted from this allowance prior to payment in acknowledgement that adopters are eligible to claim this universal benefit (£13.70 per child per week).
- 3.20 Based on the number of children identified in Table 3 the projected spend per annum under the current rates is **£406,627**. The spend under the proposed rates per annum would be **£398,243**, representing an increase of **£13,873**.
- 3.21 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. There are occasions where the financial contribution exceeds this amount as a result of contested legal applications, these are approved by the Chief Officer.

Inter-Country Adoptions

- 3.22 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.
- 3.23 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.
- 3.24 In addition 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.
- 3.25 At present Aberdeen City charges ICA applicants £5,000.00 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. It is proposed that there is no change to the above fee.

Fee Paid to the Independent Chairs of the Adoption/Permanency and Fostering Panels

- 3.26 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.

- 3.27 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.
- 3.28 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).
- 3.29 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.

Kinship Carer Allowance

- 3.30 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. In October 2015 the Scottish Government announced that Kinship carers who were caring for a child who had previously been looked after or placed with involvement by the Local Authority but were now subject to a Section 11 Order under the Children (Scotland) Act 1995 were entitled to receive a Kinship allowance. 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.
- 3.31 In June 2015 the Education and Children’s Services Committee agreed to increase the level of allowance paid to approved kinship carers to equal that paid to foster carers.
- 3.32 Kinship carers are supported by Citizens Advice Bureau to maximise their income for the child via Department of Work and Pensions 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.)
- 3.33 This approach will ensure 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.
- 3.34 At present there are 242 children in a kinship arrangement.
- 3.35 Table 4 below details the costs associated with this allowance.

Table 4

Age Group	No of Children	No of Weeks	Proposed Rate	Total	Current Rate	Total
0-4	42	56	135.41	318,484	131.47	309,217
5-10	99	56	154.24	855,107	149.75	830,214

11-15	70	56	192.02	752,718	186.43	730,806
16-18	31	56	233.55	405,443	226.75	393,638
Cost Before Child Benefit/Tax Credit Deduction				2,331,752		2,263,875
Less Child Benefit/Tax Credit Deduction*				-481,936		-481,936
Total (per annum)				1,849,816		1,781,939

**The current estimates for Deductions are based on the latest kinship payment run for payments up to 29th December 2018, estimated at £9,268 per week.*

- 3.36 Child benefit and Tax credit is deducted from this allowance prior to payment in acknowledgement that Kinship carers are eligible to claim this universal benefit.
- 3.37 Based on the number of children identified in Table 4 the projected spend per annum under the current rates is **£1,849,816**. The spend under the proposed rates per annum would be **£1,781,939**, representing an increase of **£67,877**.

Curator ad-litem/Reporting Officer Fees

- 3.37 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
- 3.38 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.
- 3.39 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.
- 3.40 The fee structure is detailed in table 6 below.

Table 6

	Proposed Fees	Current Fees
Curator ad Litem Reports		
Appointment by Court	267.77	265.12
Second and Subsequent Children	133.89	132.56
Joint Curator ad Litem and Reporting Officer Reports		

Appointment by Court	401.65	397.67
Second and Subsequent Children	200.82	198.83

Supported Lodgings Scheme

- 3.41 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.
- 3.42 It is proposed that the fee of £209.58 is increased by 1% to £211.68 in order to attract and retain carers.
- 3.43 The Service user is expected to make a small contribution towards part of this cost.

4. FINANCIAL IMPLICATIONS

- 4.1 The full year additional costs, based on the number of children looked after as at December 2018, for the total proposed increases in Fostering, Payment for Skills, Adoption and Kinship is **£131,172**. For the period of January to March 2019 this will represent a cost of **£32,793**. There is currently insufficient budget available to meet the additional costs for the proposed fees.
- 4.2 The financial pressures have been acknowledged in the Financial Statement for the period ending 30th September 2018, presented to the City Growth and Resources Committee on 31st October 2018; “The Service is currently managing a number of cost pressures, including commissioning of fostering, out of authority placements for children and self-directed support which may affect performance in future quarters. These are areas where decision making and control doesn’t sit solely within the Service”.
- 4.3 The recruitment of Aberdeen City Council foster parents and kinship carers remains the best value option to address the statutory duty to look after children therefore it remains essential to have an appropriate scheme in place that mitigates the need for more expensive solutions, such as private foster care agencies, to be used.
- 4.4 The advice of the Chief Officer – Finance, following consultation with the Chief Officer – Integrated Children’s and Family Services, is that the scheme is approved as proposed and that funding be committed from the Council Contingencies budget as part of the Quarter 3 reporting to City Growth and Resources Committee, where the overall position of the Council will be considered again.

5. LEGAL IMPLICATIONS

5.1 Aberdeen City Council has a statutory duty to provide care to those children who cannot be looked after in parental care.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	<p>Revising the fees paid will increase expenditure and this exceeds the current budget.</p> <p>Currently it is challenging to compete against Independent providers.</p>	Medium	An increase in the Fees and allowances will aid recruitment which will reduce expenditure and the need to use Independent Fostering agencies which is cost effective.
Legal	<p>We have a responsibility to provide a statutory service for children who require to be accommodated.</p> <p>We would be in breach of our Statutory duty.</p>	Medium	Increased resources and capacity would better enable us to meet our statutory duty.
Employee	Staff currently travel across the country to make statutory visits to children we are unable to place locally.	Medium	Utilising staff efficiently and more cost effectively.
Customer	Children placed out with their communities don't have access to families and support systems as readily as they would if accommodated locally.	Medium	Reduces the impact of children and young people being away from their community network, activities, schools and families. These losses associated with being accommodated outwith the authority may impact on mental and physical health and wellbeing.

Environment	N/A		
Technology	N/A		
Reputational	<p>Not viewed by our customers as being able to provide the level of service expected.</p> <p>As a regulated Service this approach may improve our quality indicators which demonstrates robust service delivery.</p>	Medium	Improved relations with existing carers this and increasing fees with carers will make it a more attractive option for prospective carers. This makes Aberdeen City Council a competitive and reliable choice.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous People	The function of our Kinship, Fostering and Adoption Service is central to supporting and assuring that we deliver on the outcomes of the LOIP Prosperous people -Children are our Future and that they have “the best start in life”; they are “Safe and responsible”; and “protected from harm”. Children who are adequately protected from threats to their health, safety and economic wellbeing are more likely to prosper than those who are not.
Prosperous Place	Children who grow up within their local community have an increase sense of identity which can help provide opportunities and mitigates the risk of harm.

Design Principles of Target Operating Model	
	Impact of Report
Governance	<p>Appropriate oversight of services delivering public protection provides assurance to both the organisation and public in terms of meeting the council’s statutory duties.</p> <p>The Operational Delivery Committee will have oversight over the delivery of this initiative to ensure it delivers the objectives which provides assurance on the robustness of the governance arrangements.</p>

Workforce	Children being placed locally allows staff to provide a high level of support. Staff able to be responsive and timely in their interventions. Less travelling which increases time spent with children and their carers which is efficient and cost effective.
------------------	---

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Sections 1, 8 and 9 completed and sent to Equalities Team – 13 December 2018
Data Protection Impact Assessment	N/A
Duty of Due Regard / Fairer Scotland Duty	N/A

9. BACKGROUND PAPERS

10. APPENDICES

N/A

11. REPORT AUTHOR CONTACT DETAILS

Name: Isabel McDonnell
Title: Children's Service Manager
Email Address: imcdonnell@aberdeencity.gov.uk
Tel: 01224 522856