



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

REPORT TO CABINET

15 June 2023

Report of the Executive Director of Children's Services

Fostering Allowance Annual Increase

1. Divisions Affected

1.1 County-wide.

2. Key Decision

2.1 This is a key decision because it is likely to:

- a) result in the Council incurring expenditure which is, or savings which are significant having regard to the budget for the service or function concerned. It will result in the Council incurring expenditure totalling £0.654m; and
- b) be significant in terms of its effect on communities living or working in an area comprising two or more electoral areas in the County.

3. Purpose

- 3.1 Every year Foster Carers have an inflation linked allowance review of the weekly fostering allowance and associated allowances related to the cost of raising a child.
- 3.2 The purpose of this report is to seek agreement to the proposed 10.5% annual allowance review relating to the weekly fostering allowance and associated allowances.

3.3 Cabinet is asked to:

- a) Approve the recommendation of a 10.5% increase in the weekly fostering allowance which will influence all relevant elements of the allowance framework at an expected cost of £0.654m. Funding is already identified within the placements budget as this is part of the regular annual allowance review. Allowances will be back dated to 3 April 2023, the start of the financial year as per normal procedure and increase to future budgets.

4. Information and Analysis

4.1 The Fostering Service aims to ensure that Derbyshire's children in care experience high-quality care where they are supported to be safe, healthy and happy so that they can be the best they can be. To do that, we have a community of skilled and experienced foster carers, who, along with their families, provide the stability, love, and care for our children in need.

The cost of caring for a child is paid to internal Derbyshire foster carers as a weekly allowance made up of a weekly fostering allowance, skills allowance, and regular annual allowances, for example birthdays, festivities. This report relates to the weekly fostering allowance, annual regular allowances, and current skill allowance, which are financially supporting foster carers to raise a child in care in Derbyshire.

4.2 The Consumer Prices Index (CPI) rose by 10.5% in the 12 months to December 2022.

4.3 In response to the national independent review of Children's Social Care the fostering network announced in Spring 2023 a recommended increase to the national minimum standards for the weekly fostering allowance of 12.43%. Derbyshire County Council already provides allowances to foster carers at a higher rate than the national minimum, as such the annual increase is always linked to the CPI index. (See appendix 1)

4.4 The recommended 10.5% increase on fostering allowances for 2023-24 is based upon the CPI index in December 2022 and represents a total cost of £0.654m, backdated to 3 April 2023 in line with the financial year and budgeted increase. Budget is already identified for increasing annual placement costs. The £0.654m figure is a guide due to the complexity of the allowance's framework.

4.5 An urgent need has been identified to carry out a full review of the fostering allowance framework in Derbyshire. This is due to the increases in the national cost of living, regional changes in fostering allowances frameworks by our D2N2 partners and following recent local consultation with Derbyshire foster carers. The results of this review will be reported to full council in September 2023. An outcome of the planned review will be the development of a transparent allowance framework which enables the service to deliver sufficient places to meet future needs of children and families in Derbyshire.

5. Consultation

5.1 Review of the fostering allowances is done annually; foster carers have been consulted regards this proposal as legally required.

6. Options Considered

6.1 Option 1- Do nothing.

This could result in Derbyshire County Council losing even more foster carers. Although our weekly fostering allowance is higher than the national minimum, the challenges locally are the skill allowance criteria and complex nature of the allowance's framework, which is proposed to be reviewed and reported to full council in September 2023.

6.2 Option 2- Implement a 10.5% increase in fostering allowances.

7. Implications

7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

8.1 Revenue Budget Report 2023-24 02/02/2023.

9. Appendices

9.1 Appendix 1 Implications

10. Recommendation(s)

10.1 That Cabinet member approves:

- a) Recommendation for Option 2, to implement a 10.5% increase for the financial year 2023/2024.

11. Reasons for Recommendation(s)

- 11.1 Aligns with our regular annual allowance uplift of weekly fostering allowance in line with CPI index.
- 11.2 When children cannot live with their birth families, providing high quality foster homes is for the majority, the most effective way of enabling them to 'be the best they can be'. It supports the Local Authority to meet the Human Rights Act 1998, Article 8 – regarding family life, both to live in as normal a home as possible and also that keeping children in their locality enables them to maintain contact with their family.
- 11.3 Maintaining sufficient foster placements is required for Derbyshire County Council to meet its 'Sufficiency Duty' as laid down in Section 22G of the Children Act 1989 and Statutory Guidance Securing Sufficient Accommodation for Looked After Children (2009).

12. Is it necessary to waive the call-in period?

12.1 No

Report Author: Smruti Mehta, Assistant Director Specialist Service, Early Help & Safeguarding Division, Childrens Services Department.

Contact details: Smruti.Mehta@derbyshire.gov.uk

Implications**a) Financial****Impact on weekly fostering allowances**

	Current 2022/2023	10.5% increase rate for 2023/2024	National Minimum 2023/24
Age	£	£	
0-4	162.17	179.20	£154.00-159.00
5-10	179.70	198.57	£175.00
11-15	205.15	226.69	£199.00
16-17	240.15	265.37	£233.00

The £0.654m cost of increasing all fostering allowances (as set out above) for DCC foster carers by 10.5% can be funded from the Children's Social Care Inflation contingency 2023-24 which is established to fund inflationary uplifts to placement fees and allowances paid to carers such as in this case (Cabinet Revenue Budget Report 2023-24, 02/02/2023).

10.5% applied to the following allowances: weekly fostering, skills allowance, contract care, clothing, holiday, birthday, festivities, respite, link family. The cost of conversion allowances for Adoption, Special Guardianship, Residence, and Child Arrangement Orders are also included.

b) Legal

When children cannot live with their birth families, providing high quality foster homes is for the majority the most effective way of enabling them to 'be the best they can be'. It supports the Local Authority to meet the Human Rights Act 1998, Article 8 – regarding family life, both to live in as normal a home as possible and also that keeping children in their locality enables them to maintain contact with their family.

Maintaining sufficient foster placements is required for Derbyshire County Council to meet its 'Sufficiency Duty' as laid down in Section 22G of the Children Act 1989 and Statutory Guidance Securing Sufficient Accommodation for Looked After Children (2009).

c) Human Resources

No implications.

d) Equalities Impact

A full Equality Impact Assessment will support the September report to cabinet. The current allowances scheme has been previously reported to cabinet this paper is regards the annual increase in rates to ensure allowances align with inflation and the cost to raise a child with a foster carer.

e) Corporate objectives and priorities for change

Ensuring DCC meets its placement sufficient legal duties.

Other (for example, Information Technology Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)