



Havering

LONDON BOROUGH

CABINET

Subject Heading:

Increased allowances and benefits for in-house foster carers

Cabinet Member:

Councillor Robert Benham, Deputy Leader, Lead Member for Children and Learning.

SLT Lead:

Robert South, Director, Children's Services

Report Author and contact details:

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Policy context:

Ensuring sufficient quality in-house foster care for children in care

Financial summary:

Refer to "cost impact of new rates" on p5.

Is this a Key Decision?

Yes. Significant effect on two or more wards.

When should this matter be reviewed?

January 2022

Reviewing OSC:

Children and Learning OSSC

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

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SUMMARY

1. As corporate parents our ambition is to recruit and retain the best foster carers to provide the best possible care for our Looked After children. This decision proposes to improve our offer to prospective and existing carers, by increasing some specific allowances to “in-house” foster carers, in addition to providing additional benefits such as council tax exemption, complimentary access to leisure facilities at borough leisure centres, free parking and free green bin collections for all in-house carers.

RECOMMENDATIONS

2. It is recommended to increase both the support and the financial incentives provided to ‘in-house’ carers in order to increase retention of our in-house foster carers by:
 - a. increasing the financial allowances as set out in Appendix 1 and improve a comprehensive wrap-around support package as covered in this report;
 - b. approve Havering resident foster carers as a class subject to Council Tax Relief from 1 April 2021.
 - c. approve the amendment to the Council Tax Discretionary Policy to include Havering foster carers with effect from 1 April 2021
 - d. providing complimentary access to the borough’s leisure centres for in-house carers and children in their care;
 - e. waiving free green bin refuse collection charges; and
 - f. offer free parking in resident bays and council carparks borough-wide, this will not include paid for parking bays.

REPORT DETAIL

Background

3. As corporate parents our ambition is to recruit and retain the best foster carers to provide the best possible care for our Looked After children. In 2020 the borough published a new Corporate Parenting strategy, a key priority in which is to keep children in our care within (or as close to) the borough as possible.
4. Our “in-house” foster carers are central to our aims to secure the best possible outcomes for children in our care. The rates and benefits provided to the carers who care for some children are no longer attractive in the competitive market and as such the borough is experiencing difficulty recruiting new carers and retaining existing.

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5. This decision proposes to improve our offer to prospective and existing carers, by increasing some specific rates, in addition to providing additional benefits such as council tax exemption, complimentary access to leisure facilities at borough leisure centres, free parking and free green bin collections for all in-house carers resident in the borough.

Current position

6. There are limited options when children come into our care and “in-house” fostering is the preferred option because it enables children to remain close to their connections and for the borough to support them (and their carer family). However, options of in-house care have been limited in the last two years due to the number of foster carers entering, the ageing cohort of existing carers, carers supporting young people post their 18th birthday (known as Staying Put) and the number of carers exiting.
7. In spite of a concerted effort to improve the offer to carers, some fostering families choose to no longer care for children and the COVID pandemic has had a profound effect on this. The success and need for Staying Put arrangements has increased and is likely to increase, thus reducing the number of available “in-house” carers further.
8. When assessing a family as foster carers for a child in our care, the needs and age of the children play a role. Carers are provided with a weekly allowance dependent on that need, along a five-point scale and age phase (0-10 year old and 10 years and over). The number of in-house carers in April 2020 was 79 and the figure remained the same in March 2021, at 79 as some new carers were recruited and others ceased.
9. The borough operates in a competitive market, to attract and retain “in-house” carers. Whilst the number of referrals to Children’s Social Care has increased consistently over recent years, the number of Looked After Children has remained broadly consistent over the last five years, thanks to our early help interventions. We currently have a lower “rate per 10,000” Looked After Children than our statistical and London neighbours, but we can reasonably expect for this number to increase as we exit the global pandemic.
10. The Face To Face Pathways innovation programme worked to stabilise the foster care home environment for those children and young people whose needs would have ordinarily been met by Independent Fostering Agencies (IFAs). An independent report into the programme by the University of Bedfordshire (commissioned by the Department for Education) was published in the summer of 2020. It found that by adapting in-care provision to support systemically trained and intensively supported foster carers, the programme was able to stabilise care for children with complex needs and avoid the need to move children to residential care.
11. The allowance paid to Pathways carers under the above scheme was increased in 2017 to be more competitive. The evaluation report into the innovation programme concluded that the programme was successful in reducing the need

for residential care in the IFA market for children with more pronounced need, particularly with those under 10 years of age.

Alternative options to “in-house” care

12. The options available when a child comes into care, aside from in-house care, include:

- Friends and Family Support (Connected Carers), often a preferred option because this delivers better outcomes for the child, who remains with relatives connected to the family, while accessing support and training via the Fostering team.
- Independent Fostering Agencies (IFAs) are commissioned using a Pan London Framework, where base rates have been negotiated. We have successfully reduced our use of IFAs over the last three years, largely connected to the Face To Face Pathways innovation programme as noted above and currently utilise around 60 places at any one time. Alongside, the spend paid to IFAs has decreased by a third in the last three years. We have seen an increase in the number of over 13 year olds cared for by IFAs in the last year, as in-house options have decreased, in part impacted by carers supporting young adults post-18 years under Staying Put Arrangements as noted above.
- Residential care is the most expensive option and required where there are greater needs and a specialist assessment required or there is not appropriate availability in other types of provision. Again, the average age of children in residential care is now approximately 13-15 and our use of residential has increased during this year.

13. With a likely increase in the number of carers being required as we exit the pandemic, alongside a stagnation of the net number of in-house carer numbers throughout 2020, the costs to the borough could rise significantly over 2021-22 as we would increasingly rely on the IFA market. Use of an IFA on average results in an additional annual cost of approximately £24,000 per child to the local authority (based on average data from 2019-20 financial year).

Proposals

14. In spite of concerted efforts to recruit and retain, the borough is no longer competitive as a destination for potential carers at levels 1-3. Many new carers come via word of mouth and feedback from the Havering Foster Carers Association is that our offer is no longer preferable to other boroughs and the independent sector. The borough is not unique in this challenge; Ofsted published a national report in November 2020 noting that recruitment of in-house carers was a significant difficulty for all the local authorities and agencies used in their study. The shortage of suitable carers was the most significant barrier to making a good match with the child and ultimately a successful caring place for them.

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15. By increasing both the support provided and financial incentives to carers we aim to reduce future costs of the service by increasing the number of in-house options, as well as ensuring that in-house foster carers have the financial resources to provide the best care possible for children in their care. This decision seeks to increase retention of our in-house foster carers resident in the borough by:
- providing them with more financial resource and stability;
 - a comprehensive wrap-around support package;
 - reduction in Council Tax;
 - complimentary access to the borough's leisure centres for in-house carers and children in their care;
 - free green bin refuse collection; and
 - free parking in resident bays and council carparks throughout the borough (with maximum stay / return restrictions).
16. This decision proposes that we increase our rates at level 1, 2 and 3 for all age groups by between 25%- 40%. This increase will enable the authority to become financially competitive in the foster care market and ensure existing foster carers remain with the borough. Additionally, increasing these rates will attract experienced carers who may be registered with IFAs in Havering and neighbouring boroughs.
17. As seen from the data below, Havering is no longer competitive in our level 1, 2 and 3 rates whereas our specialist level 4 and 5 rates remain somewhat competitive with other local authorities.
18. We currently have a critical shortage of fostering available in spite of an increase in enquiries. Due to a lack of capacity of in-house carers, children are cared for by external IFAs and this on average results in an additional annual cost of approximately £24,000 per child (based on average data from 2019-20 financial year). As such, an increase of in-house capacity of ten new carers would result in a minimum yearly cost avoidance of approximately £240,000 (minimum, because carers may be eligible to care for more than one child).
19. Cost reduction would be achieved if young people are moved from IFA arrangements to in-house (either the same carer or to an in-house carer family). However our progress to recruit in-house carers (other than Family and Friends) has not enabled us to achieve these goals.

Comparison with other Local Authorities

20. Data was collected from six geographically close boroughs, and five are shown in the graphs listed in Appendix 1 to this report. As seen from Table 1 and Figure 2, 3 and 4 in Appendix 1, Havering is currently the lowest paying at all levels and at all age ranges when compared to the other local authorities.
21. For example where foster carers are looking after 0 – 10 year old children, Havering's level 3 rate in this age group is between £315 - £338 per week. This means that Havering is around £57 per week below the average at level one, £99 below level two and £185 below at level three.

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22. Carers with a child in their care aged 11 – 15 can expect to receive between £332 per week at level one in Havering to £383 at level three, this is a difference of £51, whereas Borough E has a difference in rates from level one to three of £200. The increase between Havering's level one, two and three rates are closer than other neighbouring boroughs.
23. The local authorities in benchmarking also show an increase of up to twice Havering's increase between levels one, two and three. This is again lower than the level one rate of our competitors. For 16+ years, Havering is £63 per week below the average at level one and £117 at level two.
24. From the data, it can be seen that Havering's rates at specific levels are not financially competitive which is consistent with the feedback from the Havering Foster Care Association consultations of late 2019 and early 2020.
25. This decision proposes that we increase our rates at level 1, 2 and 3 for all age groups by 25% - 40%. This increase will enable the authority to become financially competitive in the foster care market and ensure existing foster carers remain with the borough and additionally attract experienced carers who may be registered with IFAs in Havering and neighbouring boroughs.

Cost impact of new rates

26. Based on the current cohort of carers receiving levels 1, 2 and 3, the total estimated additional cost of the increase proposed would be £408,044 per year. Refer to table 3 in Appendix 1 for a detailed breakdown.
27. These costs would offset exponentially more costly IFA which are on average £24,000 per year more expensive.
28. The investment in rates will be returned over six years as follows. The Children's directorate plans to use £408,000 of the demographic growth already allocated to the budget for 2021/22 to fund this proposal.

Fostering In house Strategy	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MTFS Permanent Growth	408							408
MTFS Saving (Budget reduction)	(120)	(24)	(48)	(48)	(48)	(48)	(72)	(408)
Total	288	(24)	(48)	(48)	(48)	(48)	(72)	0

Foster carers transferring from an IFA to Havering

29. Increasing our rates could incentivise foster carers currently registered with IFAs to transfer to Havering. This would reduce costs significantly. Two recent examples are listed in the table below and detail can be found in the case studies in Appendix 1.

Savings made when foster carers transferred to Havering from an IFA

Foster carers	Savings/month	Savings/year
A	£2,000	£24,000
B	£5,200	£62,400

Council Tax Relief for Foster Carers

30. The Service propose that resident in-house foster carers (excluding family and friends) registered with Havering, are treated as a class eligible for Council Tax relief under Section 13A(1)(c) of the Local Government Finance Act 1992.
31. The Council Tax Discretionary Policy has been updated in accordance with this proposal and is attached at Appendix 2.
32. This is consistent with our Corporate Parenting responsibilities and an incentive that has already been introduced in many areas in England, such as Southwark Council and more recently Thurrock Council who are also one of many competitors in the fostering market.
33. Southwark Council implemented their policy in 2015 to provide up to 100% Council Tax relief for all of their resident foster carers. Thurrock Council will be implementing full relief from Council Tax for foster carers from 1 April 2021. Redbridge Council foster carers receive a twice-yearly bonus payment of up to 80% of the Council Tax they have paid in the previous six months.
34. Currently, there are 79 in-house foster carers registered with Havering Council. If the wraparound support package proposed in this report is approved, the number of foster carers is likely to increase.
35. To illustrate the effect on the Collection Fund, the table below sets out the cost of providing full Council Tax relief to foster carers over a five year period. A Council Tax Band D average of £1,893.30 is assumed per household for Year 1 to Year 5. The actual cost will depend upon future decisions on the level of Council Tax and Adult Social Care precept.

Estimated cost to the Collection Fund for Council Tax relief to foster carers							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
No. of foster carers	84	85	87	89	91	93	96
CTax per foster carer	£1,893	£1,893	£1,893	£1,893	£1,893	£1,893	£1,893
Annual Cost	£159,037	£160,931	£164,717	£168,504	£172,290	£176,077	£181,757
Cumulative Cost	£159,037	£319,968	£484,685	£653,189	£825,479	£1,001,556	£1,183,313

Complimentary access to Havering leisure centres via Everyone Active

36. The benefits of exercise are well established and the borough's corporate parenting responsibility (which has health as a key component) extends to those who care for our children. The mental and physical health of young people is a priority and the council's delivery partner, Everyone Active, will grant complimentary access to the borough's leisure centres to the borough's foster carers (during times they have children in care placed with them). This opportunity in partnership Everyone Active extends to the borough's swimming pools, leisure centres, and Sapphire Ice and Leisure. Everyone Active recognise the vulnerability of children in care and aim to create a positive impact on the communities in which they work. This initiative is a clear example of corporate social responsibility and a critical contribution to the borough's most vulnerable children and young people.

Parking and garden waste service

37. Other local authorities have implemented subsidised parking for In-house foster carers commonly referred to as a Carer's Permit, allowing foster carers to park in specific areas for free or by paying a small monthly/yearly fee. For example, Waltham Forest offer a free carers permit if the person is a registered foster carer who lives within a controlled parking zone (CPZ), allowing the carers to commute and park easily within other CPZs in the borough. Barking and Dagenham also operate a carers permit which provides free parking in 'residential permit holders only', which costs £83.50 for 6 months or £125 for 12 months. Based on the Havering Heroes scheme, we propose to implement a similar scheme where foster carers resident in Havering have free parking in resident bays and council car parks borough-wide, with no maximum stay implications. The "carers permit" will not be permitted for use in paid for parking bays on street.

38. The permit will be issued annually by the e-permits system and be valid for the financial year it is implemented for. For example, if a permit is applied for in June it will be valid from June to 31st March.

39. Evidence of being a resident foster carer will be required in order for the application to be agreed.

40. A carer's permit for foster carers does not currently exist so no income loss will be applicable for this new permit. Consistent with aiming to be the best corporate parents and to offer incentives to residents to become carers, we are proposing to implement an exemption on garden waste services. The current charge for 2020/21 is £50.60 per bin, with an annual current cost for 80 carers of £4,048.

41. The exception will be issued annually and be valid for the financial year it is implemented for. For example, if an exception is applied for in June it will be valid from June to 31st March.

42. Evidence of being a resident foster carer will be required in order for the application to be agreed.

43. The service has assessed tonnage implications and costs for this scheme. These will be negligible at 22 tons a year based on 80 foster carers per annum.

Wrap-around Support

44. Alongside the allowances and financial incentives discussed above we are confident that our support package to carers remains amongst the best in the country. We have adopted systemic practice training for carers and a dedicated support group for the “Pathways Carers” who care for those children with the most need is in place. We are implementing non-violent resistance training for carers and there are two Advanced practitioner supervising Social Workers supporting carers and a dedicated Family therapist.

45. Other planned developments include: 24/7, 365 days per year bespoke out of hours support, engagement activities for households via the Havering Foster Carers Association, training and support with professional development and support in meeting the multicultural/religious needs of children. These initiatives and incentives are being delivered by our core services, from existing budgets.

REASONS AND OPTIONS

Reasons for the decision:

46. This decision proposes to improve our offer to prospective and existing foster carers, by increasing some specific rates, in addition to providing additional benefits such as council tax reduction, complimentary access to leisure facilities at borough leisure centres, free parking and free green bin collections for all in-house carers. The proposals in this report will enable the borough to compete better in the foster carer market and make the borough a destination of choice for local foster carers.

Other options considered:

47. Other options considered:

Option 1: Do nothing.

This option is not recommended as doing nothing will mean fewer in-house carers and higher reliance on the independent market, where costs are dictated by competition. Alongside, outcomes for children in our care would not be as strong and likely to impact at the borough’s next Ofsted inspection.

IMPLICATIONS AND RISKS

Financial implications and risks:

48. This decision proposes that we increase our rates at level 1, 2 and 3 for all age groups by 25% - 40%. The proposed scenario of fee increases it is an invest to save scheme with a financial impact of c£408k per year and potential payback over 7 years (please see table below). Yearly investment return is calculated as a £24k yearly average of fee reductions per case transferring from IFAs to Havering. Incorporating the proposed benefits to foster carers will have an adverse financial impact of £1,211k over the next 7 years, £1,183k on Council Tax budget and £28k on Parking and Garden Waste Management, which will be covered fully by corporate budget.

Fostering In house Strategy	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment of approved MTFS growth budget	408							408
Return on foster care cases-CHI Budget	-120	-24	-48	-48	-48	-48	-72	-408
Cases Transferring from IFAs to Havering	5	1	2	2	2	2	3	17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Garden waste service	4	4	4	4	4	4	4	28
Complimentary access to Havering leisure centres via Everyone Active	(tbc)	(tbc)	(tbc)	(tbc)	(tbc)	(tbc)	(tbc)	
Overall Impact	292	-20	-44	-44	-44	-44	-68	28

49. The actual yearly investment return figures will depend on:

- existing cases transferred from external agency to internal house foster placements
- and, as many as possible new placements placed directly with in house foster carers.

50. The specific financial impact of the access to the leisure facilities cannot at present be quantified. Similarly the loss of income from the parking permit proposal would depend on the uptake.

51. The increases in fees will make the in house foster scheme in the borough more competitive and attractive. This, in turn, will translate in more foster carers and attractive placements and will potentially mitigate the financial risk of increased costs due to fees and benefits given to foster carers. The impact of the proposal on the costs of the service will be reviewed as part of the council's financial monitoring process.

Collection fund -impact on Council tax collection

52. The exemption for foster carers is estimated to result in a reduction of the council tax as follows:

Council Tax Exemption	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax Exemption	159	161	165	168	172	176	182	1,183

53. The exemption will result in a reduced council tax base which is used each year when calculating the annual council tax product.

Legal implications and risks:

54. The Council has duties to ensure that, so far as possible, children it looks after must be placed near their home and that their education or training is not disrupted (s 22C (8) Children Act 1989). The proposals in this Report seek to ensure that the Council can meet this statutory duty.

55. The proposal to increase the premium to attract more suitable foster carers is lawful.

56. The Council does have a discretion to reduce or exempt certain categories of persons liable to pay Council Tax pursuant to s 13 A (1) (c) Local Government Finance Act 1992. This and the other proposed steps to waive charges such as for waste collection, access to leisure and parking are within the Council's discretion as long as they are exercised reasonably and they comply with the Equality Act 2014 including the public sector equality duty.

Human Resources implications and risks:

57. The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

Equalities implications and risks:

58. The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

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Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

59. The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

Health and Wellbeing implications and Risks

Havering Council is committed to improving the health and well-being of all residents including those most vulnerable. Majority of children coming into foster care are vulnerable children who may have suffered loss, neglect, abuse or abandonment which will have negatively impacted on their health and wellbeing, particularly their mental wellbeing.

60. The proposed support and financial incentives to in house foster carers aimed at better retention of experienced carers, attraction of new carers and avoidance of reliance on more expensive Independent Fostering Agencies (IFAs) is likely to impact positively on health and wellbeing of fostered children by ensuring a bigger pool of foster carers to match successfully with the children and provision of longer term stable environment which is necessary to support the development and progress of fostered children.

BACKGROUND PAPERS

[Havering: Face to Face Pathways Final evaluation report, July 2020](#)
[Bostock, L., Khan, M., Munro, E.R., Lynch, A., Baker, C., Newlands, F. and Antonopoulou, V. Tilda Goldberg Centre for Social Work and Social Care, University of Bedfordshire.](#)