

**CORPORATE PARENTING BOARD  
15 DECEMBER 2004**

**REVIEW OF FOSTERING SERVICES**

**BRENDA THOMPSON - EXECUTIVE MEMBER FOR  
SOCIAL SERVICES AND HEALTH**

**JAN DOUGLAS - EXECUTIVE DIRECTOR FOR SOCIAL  
SERVICES**

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**PURPOSE OF THE REPORT**

2. To share with Members the outcome of a review of the fostering services of Middlesbrough Council, specifically a review of the Banded Payment Scheme and an option appraisal for future developments of the service (Appendix 1).

**BACKGROUND AND EXTERNAL CONSULTATION**

3. In May 2004 the managers involved in the delivery and commissioning of fostering services developed a fostering strategy and work programme for 2004/5 to look at how the service should be delivered and developed over the year. This document included the need to review the Banded Payment Scheme as it had been operational for four years and a review was due.
4. Alongside this strategy, over the course of the past year, much discussion and deliberation has taken place over how Middlesbrough Council delivers its fostering services in an increasingly competitive market to recruit and retain carers. The past year has seen the continued use of the independent sector to meet gaps in services or deal with capacity and demand issues. This culminated in the development of a Commissioning Strategy which is currently in implementation.
5. In undertaking the review of fostering services, consultation has taken place with carers approved by Middlesbrough Council via a survey and discussion at the Band C Carers Consultation evening.

## **OPTION APPRAISAL**

6. Not applicable

## **FINANCIAL, LEGAL AND WARD IMPLICATIONS**

7. There are no legal implications of this report and no specific ward implications as the paper relates to all children looked after by Middlesbrough Council. The report does detail certain recommendations for the future development of fostering services in Middlesbrough which have financial implications, suggestions are made as to how these financial implications could be met.

## **RECOMMENDATIONS**

8. That Corporate Parenting Board consider the attached paper and recommendations and ratify the continued work of the officers involved in exploring appropriate ways to develop and expand our fostering services to meet the needs of children looked after by the Council.

## **REASONS**

9. The Council is responsible for ensuring the welfare of all children looked after and that the fostering services delivered by the Council are responsive and appropriate to meet the needs of the looked after population

## **BACKGROUND PAPERS**

The following background papers were used in the preparation of this report:

- ◆ Middlesbrough Family Placement Service Banded Payment Scheme for Foster Carers
- ◆ The Fostering Network Survey of Allowances and Specialist Payment Schemes 2003-04 & Recommended Minimum Allowances 2004-05

**AUTHOR:** Sally Robinson, Service Manager

**TEL NO:** 01642 300870

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*Address: Sandringham House, 170A Overdale Rd, Middlesbrough TS3 7EA*

*Website: <http://www.middlesbrough.gov.uk>*

# FUTURE OF FOSTERING SERVICES IN MIDDLESBROUGH

## BACKGROUND

1. This report is intended as a discussion paper, which looks at the current practice of Middlesbrough Council in relation to the delivery of fostering services. It will cover a review of the Banded Payment Scheme and allowances paid to carers and puts forward some proposals as to how the Council may wish to develop the service over the coming two to three years.
2. On a national level, the UK is suffering a massive shortage of carers. This factor coupled with the growth in the independent sector means local authorities are struggling to recruit new carers and retain existing carers. In Middlesbrough a high investment from the Quality Protects initiative enabled us to develop and sustain a recruitment strategy which has been fruitful over the past five years and offer a good level of support to carers so that our recruitment and retention rates have remained high. However, over the last six months we have seen our first net loss of foster carers. This has come about due to a significantly slowed recruitment rate because of the increased number of agencies recruiting carers who offer incentives and the deregistration of existing carers through retirement etc. At this time, we are struggling to effectively compete in the market to recruit new carers.
3. Local authorities do not fare well in the open market for attracting and recruiting new carers, many local authorities pay less than the recommended Fostering Network rates and cannot offer a fee paid scheme of, in some cases, up to £500 per week which some of the independent agencies offer. However, it is the local authorities who have to pay these rates by commissioning placements from the independent sector due to the lack of capacity within local authority in house provision. In Middlesbrough our basic fostering allowance is, on average, 14% below the recommended Fostering Network minimum rate. However, having a Banded Payment Scheme places Middlesbrough in a better position than other authorities that make no additional enhanced payments.
4. In the financial year 2003/4, the Council was allocated a ringfenced grant under the Choice Protects initiative, this initiative is aimed at developing and improving fostering services for children looked after. The grant was ringfenced for three years and therefore the programme is currently at the halfway stage. This is a timely point to review our current service and consider new initiatives which the Council may want to implement to ensure our fostering services keeps pace with national and regional developments and the challenges presented by an increasing independent sector.
5. In terms of the numbers of children looked after in Middlesbrough, the vast majority of these (135 out of 236) are placed with foster carers approved by Middlesbrough Council. Over the past three years, matching needs and services exercises have identified that the numbers and profile of those becoming looked after has been strikingly constant and consistent. Therefore it can be predicted that the future demands on the fostering service in the short to medium term is likely to remain similar to that which has been required over the past three years.

## REVIEW OF BANDED PAYMENTS SCHEME

### INTRODUCTION

6. In January 2000, Middlesbrough Council implemented a new payment scheme for foster carers under the Quality Protects initiative entitled the 'Banded Payment Scheme'. Previously foster carers had received a basic fostering allowance at a rate less than the one recommended by Fostering Network (an independent fostering organisation). If the child was identified as needing a high level of care or input from the foster carers then additional payments could be made. These were known as Additional Task Payments and were maintained for as long as the level of need continued. This system was deemed to be unfair as the allowance only continued for as long as the child required the additional care and there was a risk that the child would be labelled in order to pay an increased allowance to the carer.
7. The aims of the Banded Payment Scheme are
  - ◆ To recognise the valuable contribution made by foster carers as they develop skills and experience
  - ◆ To relate the payment received by foster carers to the skills and experience they have developed
  - ◆ To provide all foster carers with an equal chance of progressing to a higher payment level providing they meet the criteria.
8. The scheme has three payment bands, A, B and C. Band A consists of the basic allowance for the child; Band B consists of the basic allowance plus an enhanced payment of £50; Band C consists of the basic allowance plus an enhanced payment of £150. Each payment band carries with it a set of competencies which set out what is expected of the carers in terms of their knowledge, skills and understanding. Carers who meet the criteria progress from Band A to B to C. There is a minimum two year fostering experience between each band and the carer is expected to demonstrate a commitment to attend training and development opportunities.
9. At present the carer profile in relation to the Banded Payment Scheme is as follows:

<b>BAND</b>	<b>NUMBER. OF CARERS</b>
Band A	47
Band B	33
Band C	31
<b>Total</b>	<b>111</b>

### REVIEW

10. The Banded Payment Scheme has now been in operation for four years. Over that time the rates of the enhanced allowances have remained the same. The basic fostering allowance has been increased in line with the annual uplift, however in 2003/4 a significant proportion of the Choice Protects Grant was used to enable a 10% uplift to be implemented bringing the level of allowances paid in Middlesbrough closer to the recommended rates.
11. A survey was undertaken of Middlesbrough Council foster carers on their views of the Banded Payment Scheme. Overall the feedback of those who responded was positive about the scheme. 75% felt that the time scales for progressing from one band to the

next were about right and 90% felt that the criteria for progression between bands was about right. From the responses received, it was apparent that the scheme was not, however an incentive for becoming or remaining foster carers with Middlesbrough Council.

12. Information has been shared with other local authorities on a regional and national level about payment schemes to compare Middlesbrough's scheme with other areas. Some authorities do not have any additional schemes other than payment of the basic fostering allowance which can range from significantly below the recommended minimum rate to in excess of this rate. Many of these authorities are looking to introduce a payment for skills scheme to assist in the recruitment and retention of carers, so in this regard, Middlesbrough can be seen as being ahead of the field.
13. Other areas have some form of payment for skills scheme based around competencies and experience. Middlesbrough's scheme is based on material developed by Fostering Network, adapted to suit our purposes. Other schemes nationally, for example Cheshire County Council which was a Beacon Council for fostering services, are very similar to the scheme in operation in Middlesbrough. It would therefore appear that a scheme based on payment for skills measured by competencies remains an appropriate scheme for Middlesbrough Council.
14. One issue which has been raised is whether it should be possible for newly approved foster carers, where appropriate, to enter at either Band B or Band C if they have experience or are, for example, professionally trained. To date, no carers have come to Middlesbrough for approval if they are existing carers for another authority or independent agency, so realistically, this is not an issue we have had to address. For those who may be professionally trained, this does not mean they have the necessary skills required to be a foster carer and approving these carers straight to a Band B or C could be deemed divisive and devalue other carers who are commencing at Band A but still have a lot to offer. The competencies need to be thoroughly demonstrated through the fostering task before consideration should be given to progression through the scheme. Therefore I would not recommend that this element of discretion be added to the scheme.
15. The scheme includes an expectation that in order to progress through the Bands, carers demonstrate a commitment to attending 75% (three out of four sessions) of the annual training programme. Since the inception of the scheme, increased opportunities have arisen for carers to attend other training and development for example the Parenting the Public Child Training, training delivered by the ACPC and one off events delivered on a variety of subject relevant to the fostering task. The scheme does need to be amended to enable attendance at these additional training opportunities to be taken into account when assessing whether the criteria for progression is met.
16. In looking at the competencies set by Middlesbrough and the progression criteria, these continue to be relevant to the skills required by carers to enable them to appropriately care for children looked after by Middlesbrough Council. However it is timely to review and amend these competencies to add the need for them to be consistently applied through the fostering task. The range of competencies to be demonstrated for progression between the bands are evidence based and if robustly applied ensure that only carers who have the necessary skills, knowledge and understanding will progress to the next level. It is important that the supporting evidence that carers meet the criteria for progression is demonstrated through case

examples. The criteria for progression is currently assessed by the Supervising Social Worker and presented to the Foster Carer Review. I would recommend consideration be given to an independent person undertaking the assessment of the supporting evidence to ensure objectivity in the progression process. Any recommendation from the Review is then submitted to the Family Placement Panel for approval.

17. The enhanced allowances have now remained the same for the past four years; it is therefore timely to consider whether Middlesbrough should look to increase the payment rates. The Fostering Network produce on an annual basis a national survey of allowances and specialist payment schemes. Review of this survey shows the many variable schemes in place across the country and region. Some authorities have schemes similar to Middlesbrough whereas others only pay enhanced rates to what could be deemed as 'specialist schemes' i.e. carers who provide placements for children and young people with specific needs. What is evident from the survey is that Middlesbrough, whilst not the highest payment for skills scheme, ensures the payments are at a competitive rate. Were consideration being given to increasing the enhanced allowance rate paid to foster carers I would recommend these are increased in line with the annual uplift rate and any increased investment or funding be used to bring our basic allowance up to recommended Fostering Network rates.

18. Our current allowances fall short of the recommended national rates by an average of 14%. The table shows a breakdown of this in more detail and by age brackets.

Age Bracket	Recommended Rate per week	Middlesbrough Rate per week	Difference per week	% increase required to meet rec. rate
Age 0-4	£108.49	£88.20 (81%)	£20.29	23%
Age 5-10	£123.58	£109.57 (88%)	£14.01	13%
Age 11-15	£153.84	£136.27 (88%)	£17.57	13%
Age 16+	£191.37	£176.40 (92%)	£14.97	8%

19. There is currently an amendment that is being proposed to the Children's Bill that will provide the Secretary of State with the power to introduce a minimum fostering allowance. This proposal is, in principle, supported by the Association of Directors of social Services' as *'it is concerned that foster parents should be adequately funded to meet the costs of looking after a child. Furthermore the Association believes that the reward for fostering should be such as to maximise recruitment potential and provide the best possible placement choice for children and young people.'*

20. However the ADSS has written to the Government on this matter outlining issues to be addressed before any such minimum standard can be met, specifically these issues are around:

- ◆ Any minimum allowance should be an accurate and agreed assessment of the cost of caring for a foster child.
- ◆ A process of review will be necessary to reflect the complexities of the various local foster care payment schemes
- ◆ The financial implications must be accurately costed and funded by central government.

21. A snapshot of the costs to increase the rates in Middlesbrough to the minimum recommended rate as suggested by Fostering Network in Middlesbrough, based on

135 children and young people placed with carers approved by Middlesbrough Council would be as follows:

<b>Age</b>	<b>Number of children</b>	<b>Cost of increase per week</b>	<b>Cost of increase per year</b>
Age 0 - 4	35	£710	£36,920
Age 5 - 10	50	£700	£36,400
Age 11 - 15	36	£633	£32,916
Age 16 +	14	£210	£10,920
<b>Total</b>	<b>135</b>	<b>£2253</b>	<b>£117,156</b>

22. It is unlikely that without significant funding from central government the Council will be in a position to implement this increase within this or the next financial year. However, the more Middlesbrough Council deviates from the recommended minimum allowance the less likely we are to attract new carers to become Council resources and run the increased risk of losing carers who move to other authorities or agencies where the allowances are more in line with recommended rates. The knock on effect would be that more placements would need to be purchased from independent agencies. This leaves two options, either to await the response of central government to the issues raised by ADSS and see whether the powers to introduce a minimum rate are added to the Children's Bill or start a scheme now that will, over a specified time scale increase the basic allowance rates paid by Middlesbrough Council bringing them in line with a set minimum rate.

## **CONCLUSION**

23. The Middlesbrough Council Banded Payment Scheme for foster carers rewards carers for the skills and knowledge they develop in their fostering career and should continue in its present format. The scheme is comprehensive, equitable and fair and encourages carers to develop their skills in the fostering task. In an ideal world it would be good if we could offer greater financial recompense for the fostering task and increased incentives to become carers for Middlesbrough. This may alleviate the pressures on the service, the need to outsource some placements where we cannot match children with existing carers and ensure that carers do not feel undervalued or under resourced. However there are high financial implications and given the financial pressures on the Council, this cannot be achieved in a short space of time. Therefore I recommend a strategy be developed detailing how we can bring our basic allowance rates into line with recommended minimum rates over a three year period. In addition, we may want to consider how we can further develop the service in the future and outlined below is an appraisal of various options and schemes which are in operation in other areas of the country.

## **RECOMMENDATIONS**

24. The Banded Payment Scheme continue subject to minor changes as follows:

- ◆ That the expectation that carers demonstrate a commitment to attending 75% of the annual training programme be expanded to take into account attendance and participation in other training and development opportunities.
- ◆ That the competencies for progression be reviewed and amended to ensure the inclusion that the competencies are consistently demonstrated and evidenced via case examples.
- ◆ Consideration is given to an independent person assessing the criteria for progression

is met.

- ◆ The enhanced payments are subject to an uplift increase on an annual basis.

## **APPRAISAL OF FUTURE DEVELOPMENT OPTIONS**

25. The range of services to meet the needs of children looked after is a constantly developing agenda with new initiatives and ideas emerging all the time. It is a fine balance for local authorities to keep practice and development up to date within the budget constraints of the local authorities. For this reason, the Government has developed a range of initiatives including Choice Protects which includes a three year ring fenced grant and Treatment Foster Care bids. Middlesbrough along with the other authorities in the Tees Valley made a bid to develop a treatment foster care scheme, however this was unsuccessful. It is the intention of the local authorities to make a future bid for funding to establish a Tees Valley Treatment Foster Care scheme.
26. In terms of outsourced provision, Middlesbrough currently has a Partnership arrangement with NCH Community Placement North East to deliver four placements on a block purchase basis for difficult to place teenagers who require single placements and have a high level of care needs. These are fee paid carers and Middlesbrough currently has seven children placed with this organisation. A Commissioning Strategy was developed earlier this year and the Council is currently in the process of tendering for a spot purchase contract with a local independent fostering agency to provide placements for children and young people who cannot be placed within in house provision.
27. Below outlines a number of different options which could be implemented to further develop our fostering services. However in considering these various options, it should be borne in mind that Middlesbrough is a small authority with limited resources and too ambitious an agenda could result in piecemeal schemes which cannot be properly implemented due to resource implications.

## **SUPPORT FOSTER CARE**

28. Support foster care is a scheme aimed at offering short breaks for children and young people to maintain them in the care of their parents. It would boost the Council's existing range of family support services and the intention would be to prevent children becoming looked after. Social Services have considered this option at length and consider that a resource such as support foster care would be beneficial to the department. We are currently in the process of applying to appoint someone to progress and develop this initiative.

## **SPECIALIST CARER SCHEME**

29. One option, which has been under consideration, is the development of a specialist foster carer scheme where carers are paid a fee to offer placements to children, which include an intensive support package. Such schemes have been developed in various authorities locally and nationally with varying success. The benefits of such a scheme would be that it would increase in house provision for difficult to place children and young people thus reducing dependence upon the independent sector, in the long term this should mean more cost effectiveness. However, the costs of setting up such a scheme are high as an agreed fee would need to be paid to carers of an amount around £400 per week plus the basic fostering allowance.



30. The expanding market from the independent sector means that the pool of people able to offer this kind of care and placements is reducing. For example, Redcar and Cleveland have, within the past 18 months, set up a specialist carer scheme, when they advertised for carers, out of 500 respondents, they have approved two resources. There is also a risk that high expectations will be placed on these placements and there is no guarantee of placement success. Furthermore, the development of a 'specialist' carer scheme could lead to the under valuing of mainstream carers who offer high quality placements.

## **EXTENDING THE BANDED PAYMENT SCHEME**

31. Consideration could be given to adding an additional Band to the existing Banded Payment Scheme, in effect creating a Band D. This may attract carers to the Council, although the foster carer survey found that the Banded Payment scheme was not an influencing factor in attracting new carers to the Council. Furthermore, the Banded Payment scheme only influenced 11% of the respondents in continuing as carers with the Council. The current scheme does not offer people the chance to come into fostering or stay in fostering as a viable alternative to paid employment. Establishing a Band D would involve an enhanced allowance in the region of £200 to £300 per week as well as the basic fostering allowance so, similarly to a specialist scheme, there are high level financial implications to introducing such a scheme.

32. A concern regarding implementing this development would be how we could tighten our existing competencies further to demonstrate a Band D competence. It may also lead to existing carers feeling devalued if they were unable to progress to Band D, be divisive and result in a loss of carers who were dissatisfied or disaffected with the system.

## **FURTHER DEVELOPMENT OF EXISTING SERVICES**

33. We have already looked at how we can better manage capacity and demand issues by developing a Commissioning Strategy which has been operational since May 2004. This involves tendering with Independent Fostering Agencies to meet our resource shortfalls, particularly in the area of mainstream foster placements for teenagers. In addition we have in place a contract with NCH to deliver four placements children and young people with high level and complex needs and plan to resubmit our bid for treatment foster care funding.

34. One area of growth we are currently experiencing and finding difficulty resourcing due to the competitive fostering market is the recruitment of long term foster carers who can offer a placement match for children approved via the Family Placement Panel. Middlesbrough's practice in this area of work is to consult with local and regional resources via the Northern Consortium to identify a match, if no match is available the child is advertised nationally for a foster placement in appropriate magazines, i.e. Be My Parent. This generates a response and usually a match can be identified, however, placements are often at a long distance from Middlesbrough, are a long-term financial commitment and have high level on costs due to distances involved.

35. An area for development with regard to long term fostering could be the production of a strategy (or a review and expansion of the existing Commissioning Strategy) to incorporate a plan to improve planning and service commissioning in this area of the field.

## **RECOMMENDATIONS**

36. That the current Banded Payment Scheme continues in its current format subject to minor changes detailed earlier.
37. That consideration be given to developing a plan to increase our basic fostering allowances over a specified time scales to bring them in line with the recommended minimum rates
38. That the development of the support foster care scheme continue
39. That a further bid for a Tees wide Treatment Foster Care scheme be submitted
40. That the decision about whether or not to develop a fee paid carer scheme or expand our existing Banded Payment Scheme be deferred for another year whilst the above recommendations are implemented.
41. That the Commissioning strategy be reviewed and revised to incorporate the commissioning of long term foster placements and a procedure be developed for the increased and more robust use of regional resources.

Sally Robinson  
Service Manager  
November 2004