

From: Sue Chandler, Cabinet Member for Integrated Children's Services

Sarah Hammond, Corporate Director for Children, Young People and Education

To: Children, Young People and Education Cabinet Committee - 8 March 2023

Subject: **PROPOSED REVISION OF RATES PAYABLE AND CHARGES LEVIED FOR CHILDREN'S SERVICES IN 2023-24**

Classification: Unrestricted

Future Pathway of Paper: Cabinet Member decision

Electoral Division: All

Summary:

This paper sets out the proposed revision to the rates payable by children's services within Kent for the 2023-24 financial year.

Recommendation(s):

The Children, Young People and Education Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make recommendations to the Cabinet Member covering proposals to:

- (i) Change the rates payable by Children's Services in 2023-24 as detailed in section 2 and Appendix 2 of this report.
- (ii) **NOTE** the changes to the rates that are set by the Government/external agencies: including inter-agency charges and Essential Living Allowance
- (iii) **DELEGATE** authority to the Corporate Director of Children, Young People and Education, or other nominated officer, to undertake the necessary actions to implement the decision.

1. Introduction

1.1 This report is produced annually and seeks approval for the Council's proposed rates for Children Social Services for the forthcoming financial year.

1.2 The report distinguishes between these rates over which Members can exercise their discretion and those which are set by the Government/external agencies.

1.3 In relation to those rates where Members can exercise their discretion, we have traditionally increased these annually in line with either the annual CPI increase or more recently, when CPI has been low, the average percentage increase for KCC pay performance. For 2023-24, we are proposing a

general inflationary increase of 8.8% for most rates. This inflationary increase is in line with the CPIH increase between September 2021 and September 2022. CPIH is considered an appropriate measure of inflation and is used by the Government as its headline measure of inflation.

- 1.4 These proposals include applying an uplift to the maintenance element of the foster carer payment in a different way for 2023-24. The uplift to the weekly maintenance payment has previously been directly linked to the DFE published rates (known as the National Minimum Allowance or NMA). The DFE have increased the NMA for Local Authorities in the South-East by 12.6% in 2023-24, this is higher than the current rate of inflation. Therefore, the proposal is to split the value of this uplift between increasing the maintenance rate by 8.8% (in line with other rates) and providing a £500 one-off payment to each of our foster carers during 2023-24.
- 1.5 The security of an annual uplift continues to form part of Kent Fostering's approach to improving the recruitment and retention of foster carers by enabling the service to provide a more competitive package in the carer's marketplace.
- 1.6 Further explanations of individual price uplifts are given in Appendix 2.
- 1.7 The effective date for all proposed rate changes is 1 April 2023 and they will apply until 31 March 2024 or until a decision is taken to revise these rates further, whichever is sooner.

2. Rates payable by Children's Services

- 2.1 Appendix 1 provides a list of all rates proposed for 2023-24 compared to the approved 2022-23 rates. The methodology for each proposed rate increase is outlined in Appendix 2.
- 2.2 All payments will continue to be made in line with the prevailing policy including the Fostering Payment Policy shared with this Cabinet Committee on 11th March 2020. The policy is due to be reviewed during 2023.

3. Financial Implications

- 3.1 In relation to the proposed increases to the rates we pay, additional funding has been included within the Directorate's 2023-24 budget proposals, under the heading "Inflation - Children's Social Care" at just over £7.0m. This calculation includes an assumed uplift for all in-house fostering and associated payments.
- 3.2 The 2023-24 budget is based on a set of assumptions where price uplifts are unknown. Since the agreement of this budget, the DFE have published the National Minimum Allowance (NMA) for foster carer payments. This is used to set the maintenance element of the foster carer payment (which is also used to set the adoption and special guardianship payments). The NMA uplift was higher than assumed in the budget. The proposed uplifts in this paper will cost approximately £0.6m more than initially budget. Consideration was given to lowering the rates, but it was felt the risk to the

recruitment and retention of foster carers was too high to propose a lower inflationary increase. Our in-house foster carers continue to provide the most cost-effective provision for our looked after children. The Directorate will look to see what alternative management action could be taken to mitigate against this increase in costs and the resulting impact will be reported in the monitoring throughout the forthcoming year. Where alternative compensating actions are not possible the Council has approved a £12m contribution to the risk reserve in 2023-24.

4. **Legal Implications**

The national minimum standards, together with regulations on the placement of children in foster care, such as the Fostering Services (England) Regulations 2011, form the basis of the regulatory framework under the Care Standards Act 2000 for the conduct of fostering services. The report distinguishes between those rates over which Members can exercise their discretion, and those set by Government or external agencies.

5. **Equalities Impact Assessment**

We have not assessed any adverse impact within these proposals to increase funding rates for children's services.

6. Recommendation(s):

The Children, Young People and Education Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make recommendations to the Cabinet Member covering proposals to:

- (i) Change the rates payable by Children's Services in 2023-24 as detailed in section 2 and Appendix 2 of this report.
- (ii) **NOTE** the changes to the rates that are set by the Government/external agencies: including inter-agency charges and Essential Living Allowance
- (iii) **DELEGATE** authority to the Corporate Director of Children, Young People and Education, or other nominated officer, to undertake the necessary actions to implement the decision.

5. **Background Documents (plus links to document)**

The Fostering Payment Policy presented to CYPE Cabinet Committee on 11th March 2020:

<https://democracy.kent.gov.uk/documents/s96325/Item%208%20-%20Kent%20Fostering%20Payments%20Policy%20App%203.pdf>

6. **Contact details**

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Appendix 1: Children’s Social Care – Comparison between approved 2022-23 and proposed 2023-24 rates and charges

Description of Payment/Charge	Basis	2022-23	2023-24	Movement in Rate	
		Rate	Proposed Rate	£	%
		£	£	£	%
Adoption Service Charges (administered through Regional Adoption Agency)					
<i>Local Authority</i>					
One child	per child	£27,000	£27,000	£0	0%
2 Siblings	per child	£43,000	£43,000	£0	0%
3+ Siblings	per child	£60,000	£60,000	£0	0%
<i>Voluntary Adoption Agencies</i>					
One child	per child	£33,871	£35,565	£1,694	5.0%
2 Siblings	per child	£54,630	£57,362	£2,732	5.0%
3 Siblings	per child	£74,297	£78,012	£3,715	5.0%
4 Siblings	per child	£85,222	£89,483	£4,261	5.0%
5 Siblings	per child	negotiated	negotiated	n/a	n/a
Ongoing supervision	per child	£939.00	£986.00	£47.00	5.0%
Foster Care – Maintenance					
All placements under 2 years old	Weekly	£163.69	£178.09	£14.40	8.8%
All placements 2 to 4 years old	Weekly	£169.08	£183.96	£14.88	8.8%
All placements 5 to 10 years old	Weekly	£186.31	£202.71	£16.40	8.8%
All placements 11 to 15 years old	Weekly	£213.23	£231.99	£18.76	8.8%
All placements over 16 years old	Weekly	£248.77	£270.66	£21.89	8.8%
One-off payment	Per foster carer	£0.00	£500.00	£500.00	100%

Description of Payment/Charge	Basis	2022-23 Rate	2023-24 Proposed Rate	Movement in Rate	
Foster Care – Reward					
Non-related placements for 0 to 8 years old	Weekly	£125.15	£136.16	£11.01	8.8%
Non-related placement for 9 to 18 years old	Weekly	£237.71	£258.63	£20.92	8.8%
Foster Care - Disability Enhancement					
Standard	Weekly	£71.31	£77.59	£6.28	8.8%
Enhanced	Weekly	£95.08	£103.45	£8.37	8.8%
Foster Care Skills Based Payments					
Skilled (Level 2)	Weekly	£22.71	£24.71	£2.00	8.8%
Advanced (Level 3)	Weekly	£55.74	£61.73	£4.99	8.8%
Foster Carer Mileage Rate					
Rate per mile	Mile	45p	45p	0p	0%
Emergency Foster Carer Payment					
Retainer	Weekly	£250.00	£250.00	0p	0%
Foster Care - Sessional & Day Care Rates					
Sessional Work	Hourly	£10.45	£10.92	47p	4.5%
Day Care	Hourly	£10.45	£10.92	47p	4.5%
Foster Carer – Parent & Child (Rate adjustment)					
Income Support personal allowance for a lone parent over 18	Weekly	£77.00	£84.00	£7.80	10.0%

Description of Payment/Charge	Basis	2022-23 Rate	2023-24 Proposed Rate	Movement in Rate	
Foster Carer – Savings adjustment					
Savings (from week 14 onwards)	Weekly	£10.00	£10.00	0p	0%
Kent Supported Homes (Host payments)					
Standard Support	Weekly	£154.5	£168.10	£13.60	8.8%
Enhanced Support	Weekly	£257.5	£280.16	£22.66	8.8%
Complex Support (legacy cases only)	Weekly	£200	£200	£0	8.8%
Mother and Baby Arrangement Support	Weekly	£309	£336.19	£27.19	8.8%
Outreach support	Hourly	£10.45	£10.92	£0.47	4.5%
Rent (16/17 year old and 18+ who are not eligible to claim benefits)	Weekly	£72.10	£78.44	£6.34	8.8%
Rent (University non-term time)	Weekly	LHA** rate	LHA** rate	n/a	n/a
Staying Put Extended Foster Care Rate	Weekly	various	various	n/a	n/a
Essential Living Allowance					
Job Seekers Allowance rate for single adult aged under 25	Weekly	£61.05	£67.20	£6.15	10%

Please note: The table above lists the component parts the fostering rate only. The total amount paid to a foster carer will be a combination of the payments listed above dependent on both the foster carer and type of placement. Further details on the different type of payment structure can be found in the Kent Fostering Payments Policy presented to Cabinet Committee on 11th March 2020 (please see [background documents](#)).

**LHA Rate – Local Housing Authority Rate

Appendix 2: Methodology for each proposed rate increase set out in Appendix 1.

To aid understanding each charge as been labelled as either “to be noted” or “to be approved” in line with the recommendations. Where a charge is to “to be noted” these relate to charges that are set by or in line with the Government or external agencies.

1.1 Adoption Service Charges (to be noted)

Inter-Agency Charges – Voluntary Adoption Agencies and Local Authorities

The inter-agency fee for adoption was first introduced in 1992 to reflect the expenditure incurred in family finding, preparation and placement of children. These charges are agreed by the following; Local Government Agency (LGA), Consortium of Voluntary Agencies (CVAA), Association of Directors of Children Services (ADCS) and Society of Local Authority Chief Executive (SOLACE) and therefore are not within our discretion to alter. The rates between Local Authorities remain unchanged since 2014-15.

In 2018, the CVAA announced the decision to link the interagency rate for Voluntary Adoption Agencies (VAA) to the CPIH measure (including owner occupier’s house costs) for the preceding financial year. This is to reflect the upward pressure on staff salaries and the complexity of work involved in the adoption placements. However, for 2023-24 they have agreed to contain their increase to 5.0%, rather than the CPIH measure for 12 months to December 2022 of 9.2%.

The interagency charges between Local Authorities are set by the Association of Directors of Children’s Services. There is no increase expected for 2023-24.

From 2023-24 all inter-agency charges will be co-ordinated and incurred by the Adoption Partnership on behalf of Kent.

1.2 Foster Care Payments

Further details on the different types of Foster Care Payments can be found in Kent Fostering Payments Policy (please see [background documents](#)).

a) Maintenance (to be proposed)

The Council has traditionally maintained a link to the Department for Education (DfE) published fostering rates known as the National Minimum Allowance. This reflects the minimum payment foster carers should expect to receive to help cover the cost of caring for a child. The DfE have recently confirmed the National Minimum Allowance for 2023-24. The proposal is to increase the weekly maintenance payment by 8.8%, along with a one-off payment of £500 to each foster carer during 2023-24. The proposals will ensure Kent will continue to pay above the DfE rate to cover holidays, birthdays, religious observations & Christmas.

Please note the weekly rates also apply to Permanency Arrangement Orders payments within Children's Services e.g. Adoption and Special Guardianship Orders.

b) Reward Element (to be proposed)

An inflationary increase of +8.8% is proposed.

c) Disability Enhancement (to be proposed)

There are currently two rates:

Standard – Carers will receive an enhancement payment of 30% uplift of the higher reward element.

Enhanced – Carers will receive an enhancement payment of 40% uplift of the higher reward element.

Therefore, an inflationary increase of +8.8% is proposed.

d) Foster Care Skills Based Payments (to be proposed)

This rate has historically been uplifted in line with the CPIH rate +8.8%.

e) Foster Carer Mileage Rate (to be proposed)

The mileage rates paid to foster carers is proposed to remain unchanged at 45p per mile in line with KCC staff.

f) Emergency Foster Carer Retainer (to be proposed)

This is not subject to standard inflationary uplift and it is proposed this rate remains unchanged for 2023-24.

g) Sessional & Day Care Rates (to be proposed)

The rate is aligned with changes to the National Living Wage where the daycare/sessional rate proposed each year, will be set as 50p above the National Living Wage.

h) Foster Carer Parent & Child – Rate adjustment (to be noted)

Where a foster carer is in receipt of an enhanced parent and child payment, a reduction in the foster carer's maintenance fee equivalent to the income support personal allowance for a lone parent over 18, is made. The Income Support Personal Allowance for a lone parent over 18 has been confirmed by DWP as £84.00 from 1 April 2023.

i) Foster Carer – Savings adjustment (to be noted)

It is expected that all carers/providers save a minimum of £10.00 a week for any child in care from the maintenance payment starting at week 14 of a child or young person coming into care. When the child or young person has been in care for a year, it is expected that this amount (a minimum of £10.00 a week) for any child or young person in care, is paid into either a Child Trust Fund or a Junior ISA. The £10.00 per week will be automatically deducted from the maintenance payment and paid into a Child Trust Fund or a Junior ISA directly by KCC.

1.3 **Kent Supported Homes** (to be proposed)

The payment to hosts is split into 2 parts: a support payment and a rent payment. The support payment is proposed to increase in line with foster carers reward rate of 8.8% inflation. The rent payment is applicable where the host is supporting a young person who is under 18 years old or over 18 years old and not eligible for Housing Benefit/Universal Credit. The rent payment will vary depending on the circumstances of young person. The hourly rate for outreach support is aligned with the foster carer sessional/daycare work.

The Staying Put Extended Foster Care Rate may be applicable where the young person is in further education (this is subject to the Staying Put policy and the rate will vary dependent on circumstances).

1.4 **Essential Living Allowance** (to be noted)

This is the weekly payment to Care Leavers including Unaccompanied Asylum-Seeking Children (UASC). The rate payable is in line with the Job Seeking Allowance for a single adult aged under 25 which has been confirmed by DWP as £67.20 from 1 April 2023.