

NATIONAL FOSTER CARE ALLOWANCE

Report by Director Education and Lifelong Learning

Scottish Borders Council

14 December 2023

1 PURPOSE AND SUMMARY

- 1.1 This report proposes Council agree the implementation of the National Foster Care Allowance for Scottish Borders Council Foster Carers without disadvantaging Scottish Borders Council's foster carers and kinship carers.
- 1.2 On 29th August 2023 the Scottish Government announced the introduction of a national Foster Care Allowance for both foster carers and kinship carers.
- 1.3 The national Allowance must be paid as a minimum and where local authorities are already paying above the national Allowance rates, this should continue so that foster carers of kinship carers should not be financially disadvantaged. The new Allowance should be backdated to 1st April 2023.
- 1.4 Aspects of the new Allowance enhance the current payment rates for foster and kinship carers and aspects disadvantage them.

2 RECOMMENDATIONS

2.1 I recommend that the Committee:

- a) Implement the new national Foster Carer Allowance for all foster carers and kinship carers in the Scottish Borders.**
- b) Continue to pay foster carers and kinship carers on a 56-week annual basis and provide additional telephone / broadband allowance and mileage.**

3 BACKGROUND

- 3.1 On 29th August 2023 the Scottish Government announced the introduction of a national Foster Care Allowance. This followed The National Review of Care Allowances which reported in September 2018 making 12 recommendations aimed at improving the consistency and transparency of support for kinship and foster families.
- 3.2 The new national Foster Care Allowance applies equally to both foster carers, kinship carers and kinship carers with Kinship Care Orders. The Allowance should be backdated to 1st April 2023.
- 3.3 The remuneration / payment structure for foster carers and kinship carers is different. Foster carers are paid both a Fee (for the task of foster caring) and an Allowance (for the specific costs related to the care of the child). Rates of payment are related to the age of the child. Kinship carers are paid an Allowance only.
- 3.4 The national Allowance must be paid as a minimum and where local authorities are already paying above the national Allowance rates, this should continue so that foster carers of kinship carers should not be financially disadvantaged.
- 3.5 The Allowance is expected to cover the costs of maintaining a child. The Scottish Government and COSLA agreed the 16 core items that the Allowance must cover:

1. Food
2. Toiletries
3. Clothes
4. Wear and tear
5. Hobbies and activities
6. Bedding
7. Furniture
8. Pocket money
9. Toys
10. Insurance and utility bill increases
11. Daily access to a computer and the internet
12. Transport costs for the child
13. Mobile phone
14. Holiday costs to cover school holiday activities and family trips
15. Birthday
16. Christmas or other cultural or religious events

- 3.6 The agreed weekly national Allowance rates are as follows:

Age Range	0-4 years	5-10 years	11-15 years	16+ years
Allowance	£168.31	£195.81	£195.81	£268.41

- 3.7 The Scottish Government announced on 18th October 2023 that Scottish Borders Council will receive £310,564.03 to fund the increase.

4 CURRENT ALLOWANCE AND PAYMENT STRUCTURE FOR FOSTER CARERS AND KINSHIP CARERS

4.1 Scottish Borders Council's foster carers and kinship carers are currently paid at the following weekly rates:

Age Range	0-10 years	11+ years
Allowance	£150.17	£225.21

4.2 Additionally, in line with the majority of local authority fostering agencies in Scotland, foster carers and kinship carers are paid on a 56-week annual basis. The additional 4 weeks are intended to cover the additional costs of caring for children at their birthday (1 week), Christmas (1 week) and the summer holiday period (2 weeks).

4.3 Foster carers and kinship carers also receive 2 other additional payments:

Telephone/Broadband Allowance	£20.60 (monthly)
Mileage	45p per mile

4.4 Scottish Borders Council's Fostering Service currently has the following number of children and young people looked after in foster care and kinship care placements:

Placement Type	Children / Young People
Foster Care	60
Kinship Care & Kinship Care Orders	137

4.5 There is currently a national shortage of foster carers. All of the available evidence tells us that there are more people leaving foster care than there are becoming foster carers. Scotland's annual social work statistics as well as the Care Inspectorate bulletin show a decrease in the number of foster carers in Scotland year on year. The annual social work statistics show that in 2012 there was a total of 5279 foster care placements in Scotland (3926 provided by the LA and 1333 purchased by the LA) and in 2022 there was a total of 4155 foster care placements in Scotland (2871 provided by the LA and 1284 purchased by the LA, that is a decrease of 1124 over a 10-year period.

4.6 While there have been challenges in the recruiting and retaining of foster carers for a number of years, more recently the pandemic and the potential increase in Unaccompanied Asylum-Seeking Children in the UK have put added pressures on local authorities and fostering services. Not only has this increased demand on the number of carers required, but it has also added to the complexities and trauma children and young people bring with them into placements. The wider workforce which supports children and families, and foster carers, is also facing similar recruitment and retention challenges.

4.6 This situation is reflected in the Scottish Borders Council Fostering Service with a noticeable decline in recruitment since 2019. There has been a loss

of 11 foster care households from 51 in May 2020 to 40 in September 2023 – a 21.5% decrease.

5 PROPOSALS

- 5.1 Implement the new national Foster Carer Allowance for all foster carers and kinship carers in the Scottish Borders.
- 5.2 The new national Allowance rates are divided into 4 age ranges (0-4, 5-10, 11-15 and 16+ years) whereas Scottish Borders Council operate 2 age range bands (0-10 and 11+ years). This means that those caring for children aged between 11 and 15 years of age will be worse off by £29.40 per week. In order to ensure that no foster carers or kinship carers are financially disadvantaged, this group will continue to receive their existing Allowance rate. This will even up over time as carers receive annual increments. All new placements in this age bracket will receive the new national Allowance rate.
- 5.3 Scottish Borders Council will continue to pay foster carers and kinship carers on a 56-week annual basis and provide additional telephone / broadband allowance and mileage. Although the core items included in the new national Allowance includes transport costs for the child, mobile phone, holiday costs to cover school holiday activities and family trips, birthday and Christmas or other cultural or religious events, removal of these additional payment elements would considerably disadvantage foster and kinship carers. Additionally, in the current recruitment and retention environment, reducing financial incentives to care for children would not be prudent.

6 IMPLICATIONS

6.1 Financial

The Scottish Government announced on 18th October 2023 that Scottish Borders Council will receive £310,564.03 to fund the increase of Allowances.

The annual costs associated with the implementation of the national Foster Carer Allowance for all kinship carers and foster carers are as follows:

Kinship Care

Current - Kinship Care					
		No. of Weeks	52	4	56
Age Band	No. of Placements	Allowance per Week	£	£	Total
0-4	8	£150.17	£62,471	£4,805	£67,276
5-10	39	£150.17	£304,545	£23,427	£327,972
11-15	64	£225.21	£749,499	£57,654	£807,153
Top-up 11-15			£0	£0	£0
16+	26	£225.21	£304,484	£23,422	£327,906
	137		£1,420,999	£109,308	£1,530,307

New Recommended Scottish Allowance - Kinship Care					
		No. of Weeks	52	4	56
Age Band	No. of Placements	Allowance per Week	£	£	Total
0-4	8	£168.31	£70,017	£5,386	£75,403
5-10	39	£195.81	£397,103	£30,546	£427,649
11-15	64	£195.81	£651,656	£50,127	£701,783
Top-up 11-15		£29.40	£97,843	£7,526	£105,369
16+	26	£268.41	£362,890	£27,915	£390,805
	137		£1,579,509	£121,500	£1,701,009

Increase - Kinship Care				
		52	4	56
Age Band	No. of Placements	£	£	Total
0-4	8	£7,546	£581	£8,127
5-10	39	£92,558	£7,119	£99,677
11-15	64	-£97,843	-£7,527	-£105,370
Top-up 11-15		£97,843	£7,526	£105,369
16+	26	£58,406	£4,493	£62,899
	137	£158,510	£12,192	£170,702

Foster Care

Current - Foster Care					
		No. of Weeks	52	4	56
Age Band	No. of Placements	Allowance per Week	£	£	Total
0-4	13	£150.17	£101,515	£7,809	£109,324
5-10	23	£150.17	£179,603	£13,816	£193,419
11-15	15	£225.21	£175,664	£13,513	£189,177
Top-up 11-15			£0	£0	£0
16+	9	£225.21	£105,398	£8,108	£113,506
	60		£562,180	£43,246	£605,426

New Recommended Scottish Allowance - Foster Care					
		No. of Weeks	52	4	56
Age Band	No. of Placements	Allowance per Week	£	£	Total
0-4	13	£168.31	£113,778	£8,752	£122,530
5-10	23	£195.81	£234,189	£18,015	£252,204
11-15	15	£195.81	£152,732	£11,749	£164,481
Top-up 11-15		£29.40	£22,932	£1,764	£24,696
16+	9	£268.41	£125,616	£9,663	£135,279
	60		£649,247	£49,943	£699,190

Increase – Foster Care				
		52	4	56
Age Band	No. of Placements	£	£	Total
0-4	13	£12,263	£943	£13,206
5-10	23	£54,586	£4,199	£58,785
11-15	15	-£22,932	-£1,764	-£24,696
Top-up 11-15		£22,932	£1,764	£24,696
16+	9	£20,218	£1,555	£21,772
	60	£87,067	£6,697	£93,764

N.B Above costs exclude mileage and telephone allowance. Short Breaks (respite) costs have not been included as these can only be calculated retrospectively. Based on previous year's costs these would roughly equate to £3,200 per year.

There is therefore a surplus of £46,098 in terms of the money provided by the Scottish Government to meet the implementation of the new National Allowance (based on a 56 week payment schedule):

Kinship Carer increase	£170,702
Foster Carer increase	£ 93,764
Total increase	£264,466
Scottish Government funding	£310,564
Surplus	£ 46,098

N.B. As above, Short Breaks (respite) costs have not been included as these can only be calculated retrospectively. Based on previous year's costs these would roughly equate to £3,200 per year.

6.2 Risk and Mitigations

As the new national rate for 11-16 year olds is lower than the current Scottish Borders Council rate, carers would be worse off by £29.40 per week if, as intended, this group were not to continue to receive their existing Allowance rate. All new placements in this age bracket will receive the new national Allowance rate, however, Scottish Borders Council are already receiving correspondence from local kinship carers criticising this approach and lobbying for us to keep the existing higher rate for this age group. There are currently 79 children and young people in this category foster care and kinship care).

6.3 Integrated Impact Assessment

To be completed.

6.4 Sustainable Development Goals

End poverty in all its forms everywhere – proposal improves local income for foster carers and kinship carers.

6.5 Climate Change

Minimal impact.

6.6 Rural Proofing

N/A

6.7 Data Protection Impact Statement

All potential risks of non-compliance with Data Protection legislation have been identified, assessed and recorded within a Data Protection Impact Assessment. The controls to mitigate any potentially negative impacted identified within the Assessment have been/will be implemented to ensure the proposed change to/new data processing complies with Data Protection legislation.

6.8 Changes to Scheme of Administration or Scheme of Delegation

There are no proposed changes to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals in this report.

6 CONSULTATION

6.1 [insert details of your consultees (see consultation sheet)] You must consult the Director (Finance & Procurement), the Director (Corporate Governance), the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications and any comments received will need to be incorporated into the final report.

6.2 Others to be consulted if required are –

- External organisations
- Procurement Officer – if you are buying any goods or services.

Approved by

Name

Title

Author(s)

Name	Designation and Contact Number
Gareth Stott	Resources Group Manager, Children and Families Social Work

Background Papers: N/A

Previous Minute Reference: N/A

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Gareth Stott can also give information on other language translations as well as providing additional copies.

Contact us at Gstott@scotborders.gov.uk