



Democratic Services

Location: Phase II

Ext: 7765

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Ref: CMD 294

To: COUNCILLOR IAN EDWARDS
LEADER OF THE COUNCIL

COUNCILLOR JANE PALMER
CABINET MEMBER FOR HEALTH AND SOCIAL CARE

c.c. All Members of Families, Health and Wellbeing Select Committee

c.c. Tony Zaman, Corporate Director Social Care and Health

c.c. Julie Kelly, Social Care & Health

c.c. Poppy Reddy, Social Care & Health

c.c. All Ward Councillors

c.c. Conservative and Labour Group Offices
(inspection copy)

Date: 6 October 2021

Non-Key Decision request

Form D

APPROVAL OF THE PROPOSAL TO STANDARDISE ALLOWANCE RATES FOR REGULATION 24 PLACEMENTS

Dear Cabinet Member

Attached is a report requesting that a decision be made by you as an individual Cabinet Member. Democratic Services confirm that this is not a key decision, as such the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 notice period does not apply.

You should take a decision **on or after Thursday 14 October 2021** in order to meet Constitutional requirements about publication of decisions that are to be made. You may wish to discuss the report with the Corporate Director before it is made. Please indicate your decision on the duplicate memo supplied, and return it to me when you have made your decision. I will then arrange for the formal notice of decision to be published.

Anisha Teji
Democratic Services Officer

Title of Report: Approval Of The Proposal To Standardise Allowance Rates For Regulation 24 Placements

Decision made:

Reasons for your decision: (e.g. as stated in report)

Alternatives considered and rejected: (e.g. as stated in report)

SignedDate.....
Leader of the Council / Cabinet Member for Health and Social Care

APPROVAL OF THE PROPOSAL TO STANDARDISE ALLOWANCE RATES FOR REGULATION 24 PLACEMENTS

Cabinet Members	Councillor Ian Edwards Councillor Jane Palmer
Cabinet Portfolio	Leader of the Council Cabinet Member for Health and Social Care
Officer Contact	Julie Kelly, Social Care & Health Poppy Reddy, Social Care & Health
Papers with report	None.

HEADLINES

Summary	This report seeks approval to remove a financial differential from the status of how a child is looked after by carers through bringing Regulation 24 payments in line with those for Special Guardianship Orders (SGOs). This approach will remove the financial disadvantage of SGOs, which provide greater stability for children.
Contribution to our plans and strategies	This report supports the following Council objectives of: Our People, Strong financial management
Financial Cost	This proposal is to reduce the rate for all children placed under Reg 24 by £140.19 per week. The financial benefit based on the level of demand is estimated to be a cost reduction of £134,863.
Relevant Select Committee	Families, Health & Wellbeing Select Committee
Ward(s) affected	All

RECOMMENDATION

That the Leader of the Council and Cabinet Member for Health and Social Care approve the proposal to standardise allowances given as part of Regulation 24 placements, as detailed in the report, moving to a maintenance only allowance in line with neighbouring boroughs.

Reasons for recommendation

1. The recommendation is aimed at bringing the allowances for Connected Persons/Kinship Placements in line with neighbouring boroughs in that a maintenance allowance is paid without a further fostering fee pending the assessments and ratification of the final care plan for children and young people.
2. This will address the imbalance of paying the fostering rate for Regulation 24 placements, which do not have the same requirements placed upon them as foster carers. This will ensure that the rates provided for Special Guardians are more comparable to the Regulation 24 rates, which seeks to address the rising issue of carers continuing with connected persons fostering arrangements rather than SGO's which offer more stability and legal permanence for the child concerned.
3. The standardisation of this fee approach will provide financial benefit. It is recommended that Reg 24 carers will receive £224.29 (under 12) or £292.41 (over 12) per week for the duration of their approval. The change in policy would be in line with social work practice across neighbouring authorities whilst ensuring carers are financially supported to provide for children in their care.

Alternative options considered / risk management

No other options considered.

Comments from Select Committee

None at this stage.

SUPPORTING INFORMATION

1. From the point of a placement under Reg 24, the current arrangement in Hillingdon is that carers will be paid in accordance with the fostering rates. Following the assessments and the court ratifying the care plan of Special Guardianship Orders (SGOs), the SGO allowance is then put in place. This is means tested and is lower than the approved fostering rate. SGO carers are entitled to apply for Child Benefits and other benefits that will be applicable. The SGO rate is approximately £203.24 - £250.00 per week plus the Child Benefits.

2. The difference in rates offered sets families with expectations, initially receiving a higher amount when they receive the higher fostering rate in the interim stage only for this to be reduced to the SGO rate when the care plan is finalised. As a result, families are increasingly expressing a wish to remain as connected carers as opposed to SGO carers, due to the financial incentive.

3. This means that a young person remains in the care system throughout their minority and will have statutory social work intervention, even if this is not the assessed need. Carers are entitled to a one-off legal advice to consider their options following the conclusion of the assessments and the support plan being completed. Following this meeting, it has become apparent that carers are opting for the Connected person's route, which may be in relation to legal advice regarding the financial benefits of the fostering rate.

4. Within Hillingdon, there are 2 age based fostering fees paid to carers; (based on mainstream fostering fees)

- 0-11 years @ £364.48 per week, made up of two elements: Maintenance allowance - £224.29 and fostering fee - £140.19
- 12+ years @ £432.60 per week, made up of two elements: Maintenance allowance - £292.41 and Fee - £140.19.

5. These rates appear to have originated over a decade ago, when comparison to neighbouring boroughs and IFAs showed at the time that Hillingdon was “not competitive”. In order to recruit and retain foster carers, the rates were increased accordingly.

6. This rate was also uniformly applied to Kinship Reg 24 carers, however, these carers fulfil a different role. Connected carers are different from foster carers, they are offering to care for a named child, they will not have to undertake the same training, such as skills to foster. Connected persons do not intend to become professional foster carers and there is clear argument why they should not attract a generic fostering fee. It is proposed that Connected carers should receive only the allowance element of the fostering fee. The allowance should cover all the needs of the named child, who is usually a relative. At the time the decision was taken, it was a pragmatic way of dealing with what was then a range of cases in which solutions for children were difficult to resolve; the way of working in partnership with families and carers has significantly changed over this time and the refocusing presented in now an appropriate time to change.

7. From benchmarking undertaken with London boroughs, it has been established that other Boroughs give a maintenance allowance only, without the fostering fee in addition. The table below shows the approach and fee structure adopted by neighbouring boroughs for allowances paid for children 12 years old and above:

Borough	Approach	Allowance per week
Hounslow	Maintenance only	£193
Harrow	Maintenance only	£178
Bromley	Maintenance only	£193
Ealing	Maintenance only	£176.74
Hillingdon	Combined rate – Maintenance and fostering	£432.60

As the table above shows, the allowance in Hillingdon is an outlier both for the approach to the allowance with offering a combined rate and for the value of the allowance.

In addition, the maintenance rates applied by Hillingdon are also above the National and London rate figures as shown in the table below:

	AGE 0 TO 2	AGE 3 TO 4	AGE 5 TO 10	AGE 11 TO 15	AGE 16 TO 17
London	£152	£155	£174	£197	£231
South East	£146	£150	£166	£189	£222
Rest of England	£132	£135	£149	£170	£198

Proposal to standardise allowances

It is proposed that the allowances for Connected Person's placements are brought in line with neighbouring Boroughs in that a maintenance allowance is paid, without a further fostering fee.

The Leader and Cabinet Member is, as per the recommendation in the report is, requested to approve a new Regulation 24 payment of £224.29(under 12) or £292.41(over 12) per week, moving to a maintenance only allowance in line with neighbouring Boroughs.

This is to address the imbalance of paying the fostering rate for these placements, which do not have the same requirements placed upon them as foster carers. In addition to this, changing the approach will ensure that the rates provided for SGOs are more comparable to the Regulation 24 rates, which will hopefully address the rising issue of carers continuing with the Reg 24 placements rather than SGOs, which are more beneficial to the child in question.

In addition to these wider benefits, the standardisation of this fee approach will provide financial benefit. Reg 24 carers will receive £224.29 (under 12) or £292.41 (over 12) per week for the duration of their approval. The change in policy would be in line with social work practice across neighbouring authorities whilst ensuring carers are financially supported to provide for children in their care.

From the 1st December 2019 to the 30th November 2020, 37 Regulation 24 placements were made. Of these 37 children, 9 were over 12 years old, so attracted the higher allowance rate and 28 children were below the age of 12. Based on Court durations of 26 weeks, costs in fostering fees amounted to £366,570 at the current level of allowance.

Using this base level of placements, applying the maintenance fee only would equate to a saving of £134,863 on the current cost.

In addition, there are potentially further savings which may be realised in cases where Court Proceedings are protracted and is likely to increase the conversion of placements to long term Special Guardianship placements where this is in the child's best interests.

Although the maintenance rate within Hillingdon is higher than the other boroughs shown in the table above, it is not proposed to amend it at this time. As the rate is based on fostering fees, any changes to this would be subject to consultation with the current carers and this may risk of

losing applicants who are currently in recruitment. It is important that we remain competitive in attracting mainstream foster carers.

The Leader and Cabinet Member is also requested to note that the level of the maintenance fee is not proposed to change at this time but will be evaluated as part of a wider review of fostering allowances to be undertaken over the course of 2021/22 within the wider Social Care transformation programme.

Financial Implications

The standardisation of this fee approach will provide financial benefit. Reg 24 carers will receive £224.29 (under 12) or £292.41 (over 12) per week for the duration of their approval. The financial benefit will mean a saving of approximately £140.19 per week per child.

From the 1st December 2019 to the 30th November 2020, 37 Regulation 24 placements were made. Of these 37 children, 9 were over 12 years old, so attracted the higher allowance rate and 28 children were below the age of 12. Based on minimum Court durations of 26 weeks, costs in fostering fees amounted to £366,570 at the current level of allowance. Using this base level of placements, applying the maintenance fee only would equate to a saving of £134,863 on the current cost.

The reduction in cost will be used to offset the increased demand and costs of Looked After Children placements.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities?

The Council will continue meet its statutory duty as set out in legislation.

Children will be in the care of family members under the legal order that is assessed to meet their needs throughout their minority.

Support will be provided to families during the assessment phase in the form of the Regulation 24 maintenance payment.

Families will not experience a significant change in the allowance received following the conclusion of assessments and proceedings.

Consultation Carried Out or Required

None.

CORPORATE CONSIDERATIONS

Legal

The report has been considered in line with the relevant statutory guidance and there are no legal

implications arising from the proposal.

Corporate Finance

Corporate Finance has reviewed this report and concurs with the financial implications set out above, noting that the recommendation to change to allowances under Regulation 24 placements, in line with local benchmarking, will result in an estimated saving of £134k. This saving will offset placement pressures within the Looked After Children budgets.

BACKGROUND PAPERS

NIL.