

Cabinet

14 January 2025

Fostering Fees and Allowance Policy 2025

Portfolio Holder: Councillor Adam Price, Portfolio Holder for Children's Service

Report from: Dr Lee-Anne Farach, Director of People and Deputy Chief Executive

Author: Kelly Cogger, Acting Assistant Director, Children's Services

Summary

This report provides Cabinet with information about the updated Fostering Fees and Allowance Policy 2025 for our foster carers. Medway Fostering Service continues to be a much-needed service provision in relation to children and young people who need to be cared for by Medway Children Service. This policy has not been renewed in its entirety since 2021.

The recruitment and retention of foster carers has remained firmly on Medway's agenda. The demand for foster carers across the nation is exceptionally high. The fostering service is seeking to use this policy change, alongside wider practice and organisational change to increase sufficiency of foster placements by recruiting new carers and supported homes hosts as well as retaining those currently registered with Medway.

1. Recommendations

1.1. The Cabinet is asked to approve the proposed changes to the Fostering Service Fee and Allowance Policy at Appendix 1 to the report, notable highlights as summarised below:

- A scheme based on a defined maintenance element to meet the child's needs, and a separate reward fee based on a child's age and needs in the form of a tiered structure.
- An entitlement to 16 days paid leave for foster carers with children in the fostering home, or up to 24 days respite for foster carers approved for children with disabilities.
- Continuation of an annual skills and services payment based on length of service.

- An annual council tax contribution of £600 per household.
- An hourly rate of £11.94 per hour for providing support to the fostering service.
- Reduction in the threshold for paying mileage to carers from 700 miles per month to 200 miles per month.

2. Suggested reasons for decision(s)

- 2.1. The fostering service is operating within a fiercely competitive sector. There are as many children in care placed in Medway by other local authorities with independent fostering agencies as there are Medway Children in Care. Independent fostering agencies are actively recruiting in our area.
- 2.2. There is a national shortage of foster carers, with an estimated need for 10,000 foster carers. As at 31 March there were 86,630 children in care nationally, compared to 75,360 on the same date in 2017. The demand has increased exponentially.
- 2.3. This policy seeks to redress that balance in favour of Medway offering a more attractive package of weekly remuneration, both maintenance and reward elements, in addition to the improved additional offer.
- 2.4. Medway Council Fostering Service has undertaken a benchmarking exercise and sought feedback from Medway's own foster carers. Medway Council Fostering Service does offer added value and the opportunity for Medway families to care for Medway children.
- 2.5. As part of the review of the 'offer' to Foster Carers, consideration has been given to all areas of the Foster Carer payment package. The new policy has taken account of foster carers wishes, and where possible these have been listened to.

3. Budget and policy framework

- 3.1. The decision to approve this decision sits within the council's policy and budget framework.
- 3.2. The proposal set out in this paper is intended to fulfil the objectives of the Fostering and Corporate Parenting Service to the effect that where possible, Medway children should be living in Medway with in-house Medway foster carers. By achieving this outcome and reducing the reliance on the external market Medway children will be provided a local home for a local child and enable them to retain a sense of consistency. This minimises disruptions and improves the experience of a transition to foster care during a difficult and confusing time for children.

4. Background

- 4.1. This report and Appendix 1, provide details and the rationale for the updated Fostering Fee and Allowance policy 2025.

5. Options

- 5.1. Local Authorities and IFA's have the freedom to set their own fees. As noted above, they are limited by different market pressures. The purpose of the fee is to provide is twofold:
- to provide for the financial cost of caring for a child (maintenance fee)
 - to reward the carer for their work as a foster carer (reward fee). Both of these rates are variable.
- 5.2. Medway Council pays carers bi-weekly and has traditionally remunerated carers on a sliding scale of increasing both the reward and maintenance fee based on rising age and increasing need. This is in line with many local authorities. Generally, it is more difficult to find loving homes for older children, parent and child, and children with disabilities. Medway carers are further rewarded annually for their length of service, on a sliding scale based on their years of service.
- 5.3. There is an option to offer the carers a variable payment for their maintenance element but pay the reward element to carers on a flat rate which increases based on a tier of skills and competence.

6. Advice and analysis

- 6.1. The model of recruitment of foster carers using financial reward as the primary motivation, as adopted by many Independent Fostering Agencies was widely criticised in the Independent Care Review of Children's Service published in 2022 and in Response the government published 'Stable Homes based on love'.
- 6.2. In Medway there has been the implementation of the Southeast Regional recruitment hub, with 20 local authorities pooling resources, with assistance of central government funding to promote the importance of fostering for an individual's local authority. Medway Council has also successfully implemented the first constellation of the Mockingbird hub.
- 6.3. We know from our experience that the greatest challenges faced are identifying homes for older children and those with additional needs. The recruitment strategy has sought to incentivise this by offering greater financial reward to these groups.
- 6.4. Due to Market differences, Medway Council cannot match the fee structure of independent fostering agencies. However, can look to match an offer in line with neighbouring and statistically similar authorities. The current proposal is an uplift of 1.6% compared to our local neighbour LA. However, the 'Medway

Offer' goes further with many additional enhancements, such as holiday and festival allowances, and council tax contributions, which are not offered by a number of LA's in the south east or matched by independent agencies.

- 6.5. Currently payments are payable weekly, based on the child's age and needs and in the form of a Tiered structure for both the Maintenance Allowance and Reward elements (Appendix 1). The tiered approach allows the scheme to recognise the care of children that exceed the expected level of need, considered to be 'Exceptional' needs. Carers will provide commitment to specialised placements of children / young people with the most complex needs such as profound disability or step down from Residential care.
- 6.6. Concessions for Foster carers remain an attractive part of the package. Medway Council Fostering will be offering all Medway Council approved Foster Carers and connected carers enhancements to the previous policy as follows:
- An increased contribution towards their annual Council Tax payments. This figure is based on the average Council Tax cost for Medway households. An annual payment of £600 will be made following Foster Carers' first year of approval and every subsequent year, following their annual review.
 - Mileage for carers who must drive as part of their fostering role will be offered at 45p per mile for any miles over 200 miles per week. This recognised the feedback from carers and also the commitment a number of carers make in transporting children long distances in order that they can maintain consistency of education without their feeling the financial burden.

7. Risk management

7.1. Please see below table of risks and proposed action to mitigate these:

| Risk | Description | Action to avoid or mitigate risk | Risk rating |
|--|--|--|------------------------------|
| Recruitment plans and campaigns do not deliver sufficient increase in foster placements to fend off natural attrition. | Medway Council has to rely on private sector independent fostering agencies and proportionately greater budget pressure. | -Investment in the work from the South East LA hub. -Investment in the offer to Medway foster carers. | B II – Likely major impact |
| Currently registered Medway Council Foster Carers transfer from Medway to IFAs. | Medway Council has less carers and is forced to rely on private sector IFAs which means greater budget | Investment in the improved offer to Medway foster carers. Listening to foster carers and their | B II– Likely Moderate impact |

| Risk | Description | Action to avoid or mitigate risk | Risk rating |
|--|---|---|--------------------------------|
| | pressure and carers transfer with Medway children which created additional logistical difficulties with service delivery to our Children in Care. | families and delivering on the support they tell us they need. | |
| There is a decreasing skill set within the fostering service and the capacity of carers to support children with additional needs. | Greater reliance on the private sector which will result in additional budget pressure. | The fee structure is aligned to Medway Council's recruitment and sufficiency strategy Investment in the revised, increased fee offer. | B III – Likely moderate impact |

For risk rating, please refer to the following table (please **retain** table in final report):

| Likelihood | Impact: |
|---|--|
| A Very likely B Likely C Unlikely D Rare | I Catastrophic II Major III Moderate IV Minor |

8. Consultation

- 8.1. The Fostering Service has held consultation with foster carers. There has been an in-person session which all carers were invited to. There has been discussion at two support groups, which again, all foster carers are invited to. A draft of the fee policy has been sent out to all foster carers and their feedback has been requested.
- 8.2. Foster carers have made their views known via the above mechanisms. The feedback received has been overall from carers who specifically support children aged 0-4 years. A group of 10 households have sent collective feedback to the effect that they do not agree that the reward element of the fostering fee should be less than other age groups. They hold the collective view that there should be parity amongst all age groups.
- 8.3. Suggestions to improve the offer to carer have been considered and their feedback has been incorporated where possible. The fees for the lower age banding have been brought more inline, albeit there remains some disparity.

9. Climate change implications

- 9.1. The fostering service utilises technology to reduce the amount of travel to attend meetings. Where it is right to, meetings are held online. Where possible emails are sent securely rather than physical papers being printed and posted. The Fostering Service continues to consider ways in which it's documents and information can be digital and accessible.

10. Financial implications

- 10.1. It is proposed that the new Fostering Fees and Allowance Policy would be effective from 1 April 2025.
- 10.2. Retention of existing foster carers during the period of transition to the new scheme is essential. The changes to foster carers' allowances and will cost an additional £326,000 per year based on the current cohort of children and carers. This additional budget requirement has been included as part of the 2025-26 budget setting process.
- 10.3. The Fostering Fee and Allowance Policy change is a targeted intervention aimed at supporting Medway Fostering Service meet its recruitment and retention strategy objective to increase the number of in-house foster carers in Medway, finding Medway homes for Medway children. When effective, this investment in Medway fostering service will reduce the future financial burden of more expensive private sector providers.
- 10.4. The population of children in care in Medway has remained static for the most part for the past year. There was an average of 498 Children in Medway Care in 23/24, the current average figure for 24/25 is 485 children in care. Any investment resulting in retention of foster carers will reduce pressure on the budget for external provisions and any net increase in foster carers as a result of this investment will reduce pressure further and give rise to a potential long-term saving.
- 10.5. The increase in the pool of local authority foster carers will offer greater in-house choice and will support the alignment of further objectives from the recruitment and retention strategy to increase the recruitment of foster carers from diverse backgrounds and ensure the support offer for foster carers is competitive and attracts the right carers into our service.
- 10.6. There are a range in variables and payments made to external providers; largely these are linked to urgency, age and need. This financial year the weekly payments have ranged from £2,892 per week to £834 per week. Placing one child with an inhouse carer instead of externally would save the local authority on average £43,368 per annum on the lower scale, and £150,384 on the upper end of the scale.

11. Legal implications

- 11.1 Under Standard 16 of the National Standards and Regulation 3 and 4 of the Fostering Service Regulations 2011 Medway Council are required to produce

a statement of purpose detailing its aims and objectives and the services and facilities provided and keep this under review.

11.2 Fostering Services are regulated services which operate within the following regulation and guidance:

- The Children Act 1989
- The Care Standards Act 2000
- The Fostering Service (England) regulations 2011
- Fostering Services: national minimum Standard 2011 and Amendment to Care Planning Regulations July 2013
- The Children Act 1989 Guidance and Regulations Volume 2: Care Planning, placement and Case Reviews 2010
- The Children Act 1989 Guidance and Regulations Volume 4 – Fostering Services 2011 and its revision July 2013 Family and Friends Care – Statutory Guidance for Local authorities
- The Supported Accommodation (England) Regulations 2023 (the Regulations)
- The Care Planning, Placement and Case Review (England) (Amendment) Regulations 2021

11.3 The report sets out Medway Council's implementation of its fair approach considering the recommended National Minimum Allowance for foster carers. In November 2024 Government of 3.55% to the national minimum allowance for foster carers in England. The National Minimum Allowance is guidance for establishing good practice. It would illustrate a consistency of approach if, as proposed, it is used as a benchmark. The proposed policy change exceeds the recommended National Minimum allowance.

Lead officer contact

Kelly Cogger, Acting Assistant Director, Children's Social care

Gun Wharf 01634 331205 kelly.cogger@medway.gov.uk

Appendices

Appendix 1 – Proposed Medway Fostering Fee Policy 2025/26 payment and allowance policy

Appendix 2 – Diversity Impact Assessment

Appendix 3 – 2021 Foster Care payment and allowance policy

Background papers

[Medway Recruitment Strategy 2024-2026](#)

[Medway Foster Care Recruitment and Retention Strategy 2023-2024](#)

[Medway Fostering Statement of Purpose 2024/25](#)

[Medway Supported Homes Statement of Purpose 2024/25](#)