

**REPORT TO:** Cabinet

**MEETING DATE:** 12 March 2024

**BY:** Executive Director for Education & Children's Services

**SUBJECT:** Fostering Fee Increase

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## **1 PURPOSE**

- 1.1 To provide Cabinet with an update on fostering payments in East Lothian.
- 1.2 To seek approval to increase the foster carer fee to ensure the Council is:
  - Able to support more children to receive the care and support they require while continuing to live and belong in East Lothian.
  - Competitive with neighbouring authorities and better able to attract local people to apply to foster for East Lothian.
  - Supporting and valuing our existing foster carers and reducing the risk of carers leaving East Lothian to foster for neighbouring local authorities who have higher fees.
  - Able to increase our cohort of East Lothian foster carers to ensure the most vulnerable children can be cared for in local communities and retain connections to their networks and communities.

## **2 RECOMMENDATIONS**

- 2.1 Cabinet is asked to note the content of the report and approve the proposed increase in foster carer fees.

## **3 BACKGROUND**

- 3.1 Under Section 22 of The Looked After Children (Scotland) Regulations 2009, East Lothian Council operates as a fostering agency. This requires the council to appoint a fostering panel which has a statutory responsibility to consider and review the case of every foster carer and prospective foster carer referred to it by the local authority.

- 3.2 The fostering panel, amongst other decisions, must make a recommendation about whether a prospective foster carer is suitable, or continues to be suitable to be a foster carer. Once approved, the person, or people, become approved East Lothian Council foster carers.
- 3.3 When a child or young person is at risk of significant harm and it is not safe for them to remain in the care of their parent/s, our Children's Services team will always seek to find suitable family options to provide safe and loving care in the first instance. When there are no suitable family members available, we will seek a suitable East Lothian Council foster care placement as this type of care is the closest to a family setting as possible for the child.
- 3.4 When a child is placed with a foster carer, the carer receives two payments. The fostering fee is the money paid to the carer as their wage. A foster carer also received a fostering allowance, which is money paid to the carer for each child in their care. The allowance is the money to provide all essentials for the child.
- 3.5 In August 2023, the Scottish Government and COSLA agreed a national minimum amount for the fostering allowance. East Lothian will receive additional funding from the Scottish Government and work is ongoing to understand if this will result in any ongoing pressures despite the additional money.
- 3.6 It is widely accepted that there is a national fostering recruitment crisis across Scotland and East Lothian, is experiencing a decline in foster carer recruitment in line with the national trend. We are aware of examples of people who reside in East Lothian being recruited by other neighbouring authorities and independent fostering agencies.
- 3.7 At this time, we do not have sufficient East Lothian Council foster carers to meet the demand of children who require foster placements. Given that there are insufficient carers in East Lothian, Children's Services have to use independent fostering agencies at significant additional cost to the local authority. This can result in children having to reside outwith East Lothian which can cause further disruption and lead to poorer outcomes in the longer term. Using East Lothian Council foster carers is the most cost effective way of providing care to children who cannot reside within their families.
- 3.8 Financial projections demonstrate that increasing the cohort of East Lothian Council foster carers would lead to cost savings over time. Initially, there would still be a cohort of children in external foster care as it may not be in their best interests to move back to East Lothian. As external placements are phased out over time, the costs would transfer to internal fostering which would lead to better outcomes for children and cost less in the longer term.
- 3.9 Children's Services has been actively considering how to attract more local people to consider fostering as a career. The current fostering fee rate is

a barrier in attracting the right people to apply and also to retain the skilled and valued carer cohort.

3.10 East Lothian Council operates two systems for carers' fees. The older system is one with three levels where carers entered at level one and progressed to level two and three as their experience and training progressed. The newer system bases the payment on the age of the child with one payment being offered for children aged 0-11 and a higher payment for children aged 12 and over. This was implemented in 2017 to attract more people to care for teenagers but unfortunately this did not lead to an increase in carers for the older age group. Having two payment systems leads to some carers being paid differently.

### 3.11 Payment Comparison:

#### Age related weekly fostering fees by local authority (as at January 2023)

Local Authority	0-11	12 and over	Disability or specialist
West Lothian Council	£208.15	£208.15	N/A
City of Edinburgh Council	£171.67	£234.79	£429.20
East Lothian Council	£160	£220	N/A

#### Level related weekly fostering fees by local authority (as at January 2023)

Local Authority	Level 1	Level 2	Level 3
Scottish Borders Council	£173.16	£230.93	N/A
Midlothian Council	£231	£292	£343
East Lothian Council	£151.50	£202	£303

3.12 Having jointly reviewed the fostering payments with Finance Services, we propose a new payment structure. We would intend to adopt one payment structure but retain the distinct level three payment in recognition of foster carers' experience and the complexity of the children they look after. No further level three carers will be recruited, and this would be phased out over time.

3.13 The proposed new fee is £315 per week, with the existing level three carers receiving £365 per week.

3.14 As well as reviewing payments, Children's Services are reconsidering how carers can access support out with normal office hours. Evenings and weekends can be particularly difficult times for children and young people and a local service which can offer advice, guidance or support at these times would both support children and their foster carers as well as bringing East Lothian Council in line with independent fostering agencies who offer this as standard.

3.15 We also plan to review the approach to marketing with a view to expanding the reach across East Lothian. Children's services continue to work closely

with communications colleagues to diversify the approach and to learn from what works in other areas.

#### **4 POLICY IMPLICATIONS**

- 4.1 A change in fostering payments will require the current policy to be updated to reflect the new rates if agreed.
- 4.2 The developments discussed are in line with national policy, outcomes and strategic direction including The Promise.

#### **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 Not required at this stage.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Provision has been made for the proposed fee increase within the approved budget for 2024/25 onwards. The proposals will result in increased costs of £395,000 based on the current number of internal foster care placements, and this will increase further if the council is successful in recruiting additional foster carers. It is anticipated that the additional costs will be partially offset over the medium term through a reduction in spend on external foster care.
- 6.2 Personnel – no implications.

#### **7 BACKGROUND PAPERS**

- 7.1 Fostering update for PPRC June 2023 (The report can be viewed [here.](#))

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