

REPORT TO: Executive Board

DATE: 5 November 2009

REPORTING OFFICER: Strategic Director, Children & Young People Directorate

SUBJECT: Placement Strategy Review

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 To review the current position regarding Halton's Children in Care (CiC) population and the arrangements for placing children.
- 1.2 To propose a revised strategy where all Children in Care have a choice of placement to suit their needs.
- 1.3 To ensure that Halton makes efficient and effective use of all its resources
- 1.4 To seek approval for an Invest to Save Bid in order to improve the recruitment and retention of Foster Carers through an increase in allowances.

2.0 RECOMMENDATION: That:

- (1) The approach identified in the Placement Strategy is endorsed by Executive Board and further work is undertaken to develop it; and**
- (2) Support is given to an Invest to Save Bid**

3.0 SUPPORTING INFORMATION

- 3.1 As of 9th October 2009, Halton had 158 Children in Care. Although this figure is slightly higher than in recent months, the overall trend shows a reduction in the Looked After population from a high of 169 in 2004.
- 3.2 A detailed analysis of the Children in Care population (December 2008) identified some trends and useful information such as: -
 - 3.2.1 The largest cohort of children is 11 – 15 year olds
 - 3.2.2 Gender is fairly evenly balanced, with a slight preponderance of males.

- 3.2.3 There is a high probability of a child experiencing several placement moves if they have been in care for over 4 years.
- 3.2.4 There is a sharp rise in placement moves after 6 years in care.
- 3.2.5 Teenagers make up almost 50% of the CiC cohort, with an average time in care of 9 years during which time they experience an average of 15 placements.
- 3.2.6 There are 40 children placed in out of borough provision at a cost of almost £3 million.
- 3.3 There has been significant difficulty in recent years in recruiting sufficient foster carers to meet both the demand for placement and to provide choice of placement. Currently, there are 69 approved carers, approximately 20 of whom are kinship carers. It is projected that at least an additional 20 carers are needed to provide for the current CiC population.
- 3.4 Whilst the recent Ofsted inspection of the Foster Care Service in Halton (6th October 2009) judged the service to be Good with some Outstanding features, the Inspector did make a formal recommendation in respect of National Minimum Standard 17. This standard requires fostering providers to have a sufficient number of foster carers to allow for placement choice. Halton is currently unable to meet this standard.
- 3.5 In addition to foster care, the Borough has 6 residential beds for young people, 4 at Edinburgh Road and 2 at Littlebourne.
- 3.6 DFES data (2006) shows that the age of young people in residential care has continued to rise. The view appears to be that residential care is still regarded as a last resort with all other options having been tried first.
- 3.7 In Halton the average age of children in residential care is 13.2 years. The young people who are placed present with increasingly complex emotional, behavioural and mental health issues.
- 3.8 The analysis of placements has highlighted some key issues for Halton:-
 - 3.8.1 There is a significant shortage of foster carers for all age ranges of children
 - 3.8.2 Residential care may be provided at too late a stage for some young people to benefit from.
 - 3.8.3 There is a shortage of provision for young people who reach 16 years of age, have 'out-grown' residential care but are not ready to live independently.

- 3.8.4 The lack of placement choice particularly in relation to foster care is impacting negatively on the number of children who need to be placed out of Borough. It is also adversely affecting the placement stability of children.
- 3.8.5 Provision for young people with mental health needs, particularly those aged 16-19 years, is insufficient and tends to be reactive rather than proactive.
- 3.9 In order to meet the variety of assessed needs of young people, Halton will need to provide a range of provision for Children in Care. This will include provision for :-
- 3.9.1 Less complex needs – children with less complex needs will be placed in task centred foster care. It is likely that these children will, on the whole, be at the younger end of the age range than those with more complex needs.
- 3.9.2 More complex needs – where children are identified as having more complex needs, an understanding of the level of complexity should inform placement choice. An environment which could offer more sustained and specialist support is required so both residential care and foster care should be considered.
- 3.9.3 Extensive complex needs – for those children with very complex needs, specialist provision, which is more likely to be in residential setting, will be required.
- 3.9.4 Preparing for Independence – foster care or residential provision, which skills young people to successfully sustain life after care.
- 3.10 This approach requires a reaffirmation that, where possible, children should be placed within a family setting but that it is their needs, (not necessarily their age or a particular principle), that should inform the placement decision. Residential care should be seen as part of the continuum of care and should be used as a positive option for some children.
- 3.11 **Residential Care – Proposals.** Under this proposal, Halton's existing children's homes would need to change their purpose.
- 3.12 The age of admission for Edinburgh Road would become 10-14 years although they would care for children up to 16 years of age. Children aged from 10-14 years would be prioritised, with the aim of stabilising their behaviours and moving them on to a more permanent placement.

- 3.13 The purpose and function of Littlebourne would be adjusted to meet the needs of young people aged 15 plus who had reached the conclusion of their statutory education. This could be a positive option for young people who have 'outgrown' a children's home but who are not ready to live alone. It would also provide reassurance that the Council is committed to providing a care setting up to adulthood if that is what is required. This would operate alongside foster care and initiatives such as the starter flats and supported lodgings.
- 3.14 Further information in respect of these proposals for Residential Care will follow in the near future.
- 3.15 **Foster Care - Proposals.** The lack of capacity within the foster care service needs to be urgently addressed. Over the past 3 years the number of foster carers has fallen from 90 to 69. This reflects a particular effort to ensure that those who are approved, as carers are able to meet the standards required, are safe and are prepared to undertake training and development. It also reflects losses due to age and circumstances, but it also reflects that fewer new carers are being approved. In the past year, for example, 6 new carers have been approved but 16 have been withdrawn.
- 3.16 There are a number of barriers to the recruitment of carers, some of which are reflected nationally and some which appear more specific to Halton. These would include:
- 3.16.1 Competition from neighbouring authorities who offer significantly better allowances to carers
 - 3.16.2 Competition from the Independent Fostering Agencies which have developed across the North West region and who offer an income, better allowances and better support services, eg regular respite.
 - 3.16.3 People who wish to become carers are doing their own research on what agencies have to offer and are no longer necessarily choosing a local one.
 - 3.16.4 The fostering allowance is not an income but covers the cost of caring for the child. In society generally, there are less and less households that can survive without earned income.
 - 3.16.5 There are more employment options for potential carers, which require less time commitment and are more flexible than foster caring can be for example retail and call centres
 - 3.16.6 For someone interested in working with children, the fact that fostering does not provide an income is a deterrent that results in those individuals seeking opportunities in schools, children's

centres, early years setting, child minding, all of which pay an income and do not require a 365 day per year commitment

- 3.16.7 In addition, in order to fulfil the fostering task and meet the needs of children who require placement, it has now become almost essential that at least one carer in a household remains at home
- 3.16.8 The standards for foster carers have increased with the introduction of National Minimum Standards, Ofsted inspection regimes and the Children Workforce Development Council development standards
- 3.16.9 In order to care safely for a child, households need a spare bedroom, which is something that many prospective carers do not have.
- 3.17 A recent report by Fostering Network predicted a national shortage of foster carers as two thirds approach retirement age. Nationally, the average age of foster carers is 54 years. In Halton, the average age is 50 years with few carers currently being recruited below that age.
- 3.18 In order to address the shortfall of foster carers it is proposed that -
 - 3.18.1 Allowances paid to carers are increased to reflect not only the cost of caring for a child but to represent a payment for their professional task. Until the service is able to compete with other authorities, the Independent Foster Agencies (IFA) and local employment opportunities, recruitment is likely to remain difficult.
 - 3.18.2 Consideration is given to building the capacity of the Foster Service team through the introduction of Support Assistants with a specific remit to provide placement support.
 - 3.18.3 The integration of services continues so that an increasing range of partners and essential support services are available to children and carers.
 - 3.18.4 Using some of these proposed changes, the marketing campaign to recruit more carers would need to be revised and intensified.
- 3.19 Across all placement services, there would need to be investment in developing the skill level of residential staff and carers and in developing ways of working that promote resilience in Halton's CiC.
- 3.20 A similar Invest to Save approach to developing foster care provision has been taken by St Helens Council in recent years and has proved extremely successful. They have seen their number of foster carers

rise from 59 in March 2006 to 103 in September 2008, with a corresponding rise in the number of Kinship carers from 52 to 65. This has significantly reduced their use of expensive purchased placements and has improved their retention of existing carers.

4.0 POLICY IMPLICATIONS

- 4.1 The proposal to seek to place more children within a foster care setting in their own community is consistent with legislation, guidance and best practice.
- 4.2 The proposal is also consistent with current Council policies, the Halton Multi-agency Children in Care Strategy and Corporate Parenting responsibilities.
- 4.3 Achieving a greater number of carers and therefore placement choice would ensure that the Council was complying with the National Minimum Standards for Foster Care, as recently identified by Ofsted.

5.0 OTHER IMPLICATIONS

- 5.1 If payments to foster carers are to be increased to make it a more competitive choice for people, a one off investment of £250,000 is required. (Appendix 1).
- 5.2 Whilst significant, this represents just 5 IFA placements at a time when, due to a lack of in house capacity, Halton has 27 such placements at a cost of over £1m.
- 5.3 Discussions have been held with the Operational Director, Finance Services and an Invest to Save Bid is now presented for Executive Board approval. (Appendix 2)
- 5.4 The introduction of Support Assistants to the fostering team can be achieved through a re-design of existing services.
- 5.5 In respect of the possible change of purpose within the children's homes, a further report will be presented to SMT and Executive Board when the details of this are clarified.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

The proposal seeks to ensure that more children are able to remain within their own community when they require the provision of care. A larger number of carers will also result in greater choice and more appropriate "matches" for young people.

6.2 Employment, Learning & Skills in Halton

If young people are able to remain in Halton whilst in care, they will experience less disruption in their education and will benefit from the partnerships that have developed within the borough in relation to future employment and learning opportunities. In addition, the role of foster carer may become more feasible for adults in Halton who may see it as an appropriate form of “employment” for themselves.

6.3 A Healthy Halton

The proposal is consistent with ensuring that Children in Care and their carers are able to access local resources, which will help to provide their physical and emotional well-being.

6.4 A Safer Halton

Young people often wish to remain within their own community and the ability to do so improves their likelihood of achieving well in all areas of their life.

6.5 Halton’s Urban Renewal

If Children in Care feel settled and comfortable within their home and community they are likely to engage better in the opportunities the borough is able to offer them.

7.0 RISK ANALYSIS

7.1 The failure to increase the foster care allowances and therefore attract more carers, will result in limited placement choice for young people, inability to comply with National Minimum Standards, rising placement costs for out of borough provision and potentially poorer outcomes for Children in Care.

8.0 EQUALITY & DIVERSITY ISSUES

8.1 Improving placement choice for Children in Care will improve their life chances and contribute to ensuring that the needs of this vulnerable group are met.

9.0 REASON FOR DECISION

9.1 The decision to support the Invest to Save Bid to allow foster care allowances to be increased is required in order to correct a current deficit of placements within Halton and the increasing cost of purchasing these externally.

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

10.1 There would appear to be no real alternative option. Attempts have been made to increase the recruitment of carers via a range of marketing campaigns but this has had limited success.

11.0 IMPLEMENTATION DATE

11.1 It is proposed that the new allowances be implemented in September 2010. This will allow sufficient time to advertise the new rates and recruit, assess and approve the first of the new carers.

12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

12.1 It is proposed that the new allowances be implemented in September 2010. This will allow sufficient time to advertise the new rates and recruit, assess and approve the first of the new carers.

Document	Place of Inspection	Contact Officer
National Minimum Standards for Foster Care	Ofsted Website	Contact Officer Christine Taylor
Care Matters	DCSF Website	Christine Taylor
Children & Young Persons Act 2008	DCSF Website	Christine Taylor
Children in Care Strategy	Grosvenor House	Christine Taylor

At what age did Children/Young People come into care?

Children in Care first admission April 2004 – December 2008

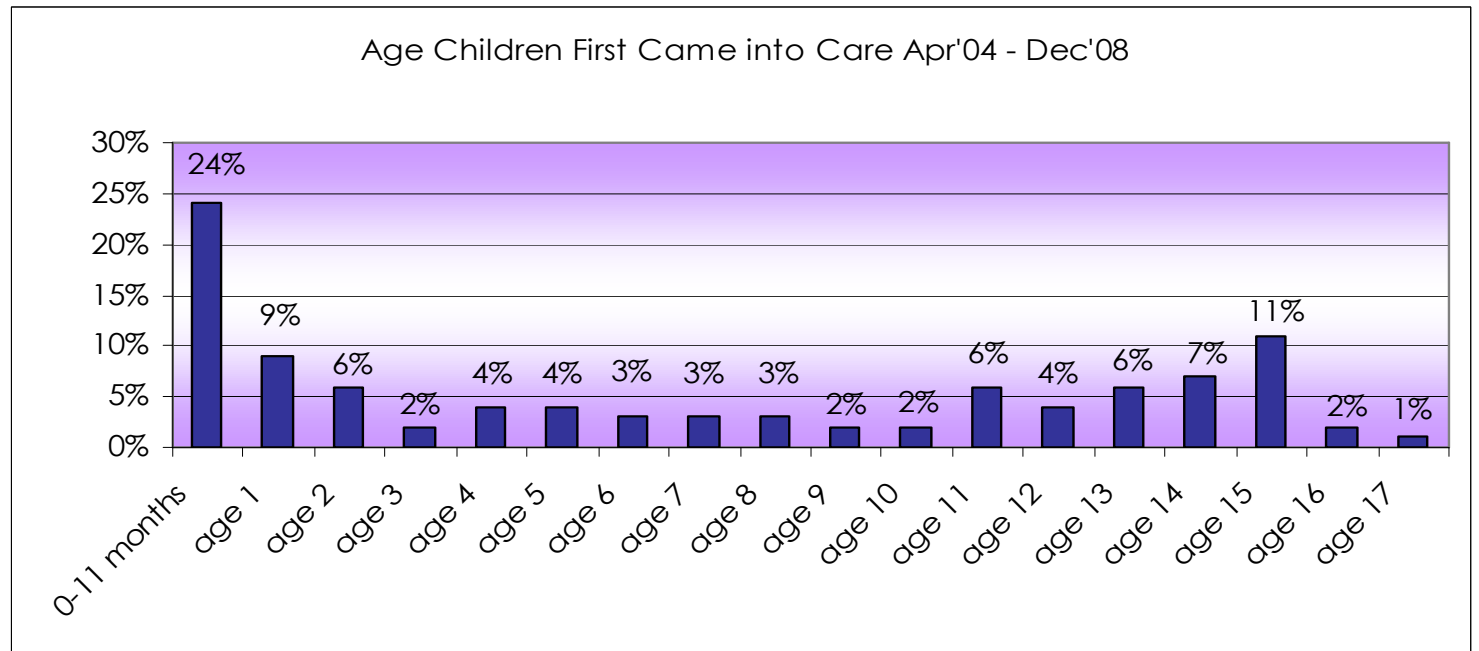
There were 241 Children/Young People in the cohort ages ranged from 0-9 to 17 years. The graph illustrates 24% were age 0-11 months when they first came into care. This could be due the high risk factors, vulnerability associated

with this age group. Another consideration is older siblings referrals bringing all sibling groups into care system. **Further investigation has shown 22 of 58 of these babies are indeed in sibling groups in care almost 50%. Overall 33% are 0-23 months when first coming into care.**

Further analysis on this group may prove interesting.

The percentage figures range from 4% to 11% in this group. At a difficult age are these families in crisis? Further investigation may reveal S20 voluntary accommodated due to disruptive behaviour.

Age Group	Numbers
0-11 months	58
age 1	22
age 2	15
age 3	6
age 4	10
age 5	10
age 6	7
age 7	8
age 8	7
age 9	5
age 10	6
age 11	14
age 12	9
age 13	15
age 14	18
age 15	26
age 16	4
age 17	1
Grand Total	241

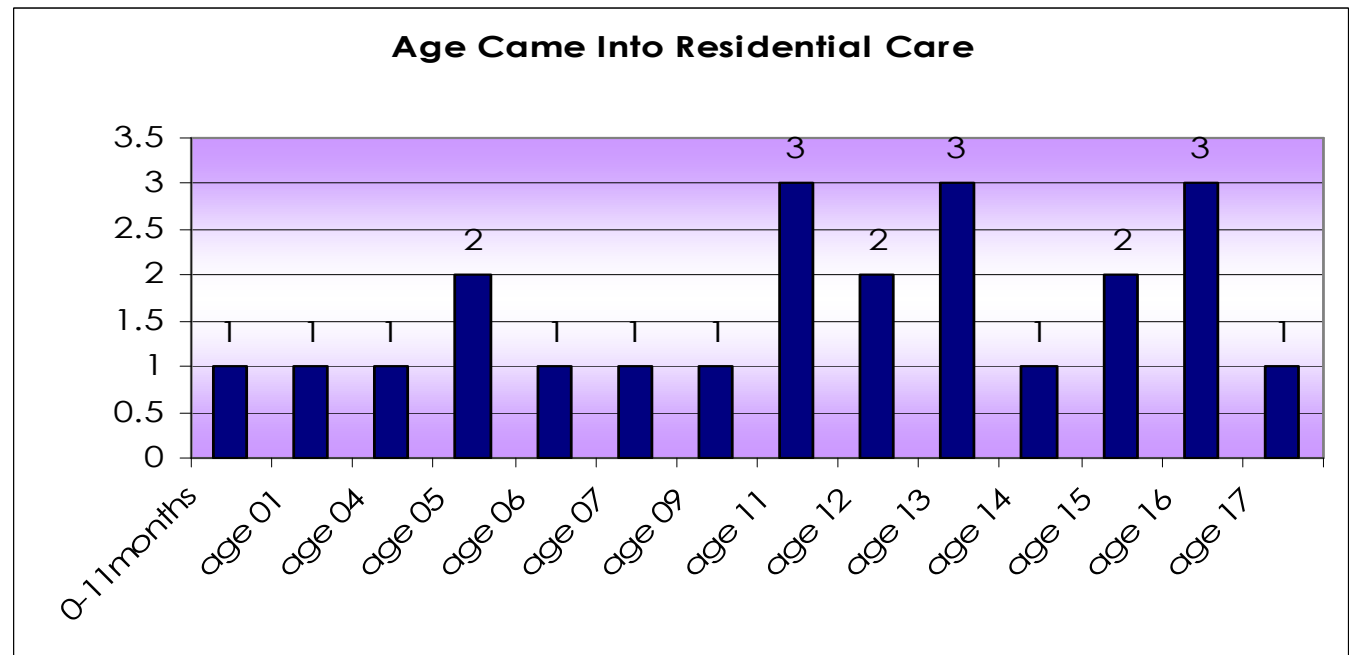


Children in Care in Residential

Total in the cohort 26 Children/Young People

The graph below shows the number of Children/Young People per ages that they came into residential care in the cohort. The graph illustrates the highest number was 5 young people who were age 15 when entering residential care. The 0-11 months old baby and 1 year old were in NHS Nursing residential. This group again shows the 11 – 16 years has the highest numbers. This group would benefit from further analysis to identify trends.

Age	Number	%
0-9 months	1	4%
Age 1	1	4%
Age 4	1	4%
Age 5	2	8%
Age 6	1	4%
Age 7	1	4%
Age 9	1	4%
Age 11	3	8%
Age 12	2	8%
Age 13	3	12%
Age 14	1	4%
Age 15	5	19%
Age 16	3	12%
Age 17	1	4%



APPENDIX 1

Foster Care Allowances

The following projections are based on the current level of placements as at 16/09/09 and it should be noted that any changes in placements between that date and the end of the year could substantially impact on the projected figures.

Background

We currently have a placement budget of £3,768,460 consisting of:

- £365,540 Independent foster care (IFA'S)
- £1,986,200 Residential placements
- £1,416,720 In-house foster care

Over the previous three years (2006-2009) savings totalling £275,000 have been taken out of this budget, however in 2009/10 £300,000 additional growth funding was put back in to the budget.

In 2006/07 the total placement outturn was an underspend of £497,062 and in 2007/08 the outturn was an overspend of £89,284. By 2008/09 the outturn had increased to an overspend position of £262,421.

The total placement budget for 2009/10 is currently projecting to overspend as indicated in Table 1. We have recently managed to obtain agreement from the PCT to contribute funding on a continuing care basis for some placements which has resulted in reducing the projected overspend.

Table 1 – Budget and projected outturn 2009/10

Year	Budget	Outturn	Variance
2009/10	£3,768,460	£3,955,186	£186,726

This projection is a snapshot taken at this time but it should be noted that this can be a particularly volatile budget and projections could substantially change in relation to placement changes in year.

There has been a small rise in the number of children requiring foster care placements between 2007-2009 rising from 109-118. This additional provision has had to be provided by independent fostering agencies (IFA) due to the decrease in in-house provision, resulting in an increase of placements from 23-32 between 2007-2009.

Current Position

There are currently four age categories for foster carer payments and these are paid at either basic or enhanced rate depending on the specific needs of the child (see table 2).

Table 2 – Current fostering rates

Age	Basic	Enhanced
0-4	£125.09	£239.16
5-10	£142.49	£256.37
11-15	£177.38	£290.87
16-17	£215.74	£331.87

The rates charged by IFA's are substantially higher than those indicated in table 2 and cost on average £820 per week. The significant difference in these costs together with the increase in IFA placements due to lack of available in-house provision is the fundamental underlying reason for the current budget pressure.

Proposal

With effect from September 2010, it is proposed to change the foster carer payments to three age categories, to remove the enhanced rates of payment but to increase the amounts paid in each category (see table 3).

Table 3 – Proposed fostering rates

Age	Amount
0-4	£240.00
5-15	£280.00
16-17	£320.00

The total projected full year cost of existing placements at the current agreed rates is £917,542. If we were to adopt the proposed new rates for foster carer payments the total full year projected costs for the same placements would increase to £1,401,185, an increase of £483,644.

The intention of the proposed uplift is to attract more people to become foster carers within Halton allowing more children to be placed with these carers rather than more expensive IFA placements. St Helens Council undertook a similar process and have seen a marked increase in the number of foster carers and a consequent decrease in the number of independent placements (see table 4).

Table 4 – St Helens fostering placements

Placement Type	31/03/2006	31/03/2007	31/03/2008	30/09/2008
In house foster placements	59	75	89	103
Agency foster	70	72	54	49

placements				
Kinship Placements	52	71	60	65

As can be seen from the table above, the in house fostering provision increased and the requirement for independent placements decreased. There is still a decrease in the level of independent placements even though there has been an overall increase in the number of children in St Helens requiring placement. In order to achieve this change to the foster care system St Helens increased their placement budget by a figure in excess of £1m.

The population of St Helens is approximately 26% higher than Halton, therefore we could potentially expect to recruit proportionally less new carers in the same time frame (see table 5).

Table 5 – Projection of new carer recruitment

	Year 1	Year 2	Year 3
No. of new carers	6	12	10

The current cost of IFA placements and residential placements is substantially more than the cost of in house foster care provision. If additional in house foster carers can be recruited and existing placements transferred from an IFA to in house carers, there would be a substantial reduction in expenditure.

There are currently 27 children placed with an IFA at an average cost of £820 per week and 22 residential placements at an average cost of £2,666 per week. This compares to the average cost per week of £280 for the new proposed fostering rates. Of the existing placements, 23 fostering and 2 residential placements could be transferred to in house provision if there was sufficient capacity. The potential reduction in expenditure by transferring all of these placements to in house provision can be seen in table 6 below, however a proportion of this would be offset with an increase in the cost of in-house placements.

Table 6 – Projected reduction in expenditure

	Cost of current placements	Projected in house costs	Saving
Fostering placements	£1,075,195	£478,158	£597,037
Residential placements	£268,398	£31,200	£237,198
Total	£1,343,593	£509,358	£834,235

These savings would be realised over a period of time as it would be unrealistic to expect to instantly recruit a large number of new foster carers

and would be proportionally offset by the increase in cost of in-house provision. Consideration would need to be given to move the most expensive placements from IFA's to new in house provision first, however this may not be possible in all cases depending on the individual needs of the placement.

Table 7 indicates the potential reduction in expenditure for foster care placements associated with moving from IFA to in-house placements and the associated under/overspend projection. This is based on the number of potential new foster carers we could recruit in table 5 and the transfer of the highest cost current packages over a 3 year period.

Table 7 – 3 Year projection implementing new proposed rates

	Current	2010/11	2011/12	2012/13
In-house Foster Care	£917,542	£1,204,084	£1,659,105	£1,758,945
Independent Placements	£1,343,593	£1,121,895	£424,045	£151,598
Total Expenditure	£2,261,135	£2,325,979	£2,083,150	£1,910,543
Projected (Under)/Overspend	£186,726	£251,570	£8,741	(£163,866)

This table shows a total reduction in expenditure for foster care placements over a 3 year period of £350,591. **However in order to achieve this a direct investment to the foster care placement budget of £250,000 is required in order to meet the projected costs in 2010/11.** Projections based on the current level of placements indicate that this investment will lead to an eventual saving in 2012/13 in excess of £163,000.

If however no action is taken with regard to implementing a new strategy and the current trend of decreasing numbers of in-house carers continues, this will put increasing pressure on the placement budget. New carers are currently being recruited but not in sufficient numbers to provide the placements that are needed. If recent trends continue, there could be a reduction in the overall number of in house carers of by approximately 4 per year. Consequently we would need extra IFA placements at a higher cost to meet the placement demand.

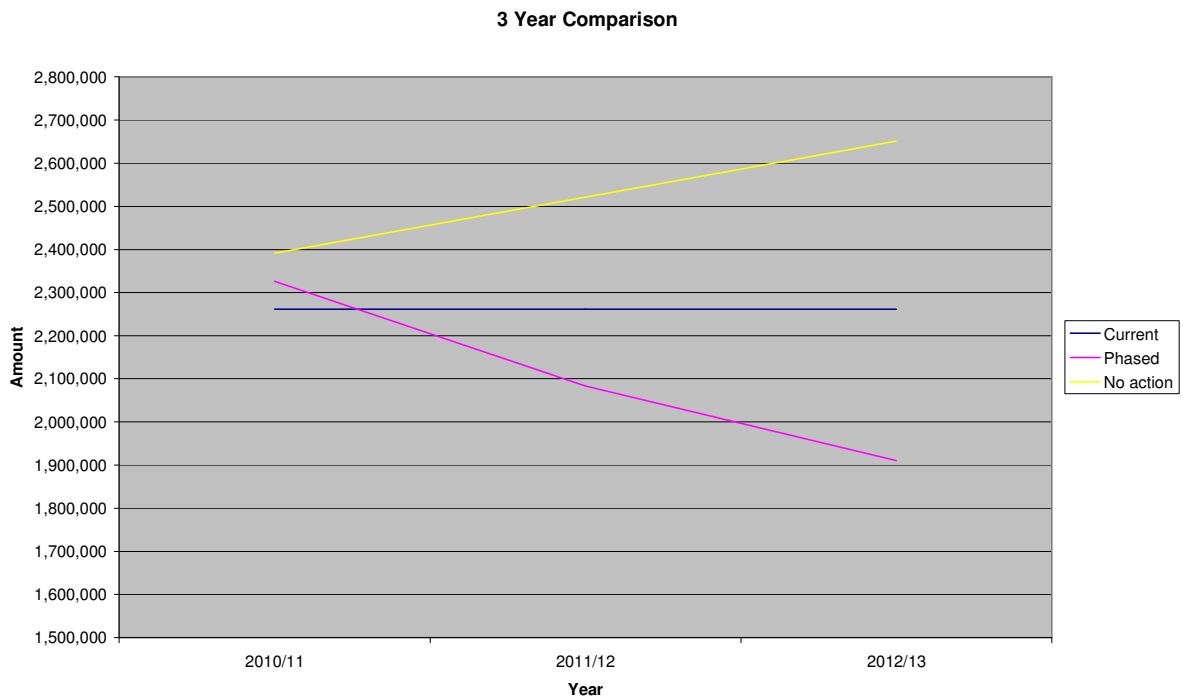
Table 8 below indicates the potential increase in expenditure for foster care placements if no action is taken and the number of in-house foster carers continues to decrease. The figures used for this example are an average of our current in-house foster care rates and an average of our current IFA placement costs.

Table 8 – 3 Year projection recruiting no new foster carers

	Current	2010/11	2011/12	2012/13
In-house Foster Care	£917,542	£883,186	£848,829	£814,473

Independent Placements	£1,343,593	£1,508,066	£1,672,539	£1,837,012
Total Expenditure	£2,261,135	£2,391,252	£2,521,368	£2,651,485
Projected (Under)/Overspend	£186,726	£316,843	£446,959	£577,076

The graph below illustrates the current level of placements, a projection based on implementing the new proposed rates phased part way through year 1 and a projection of the impact if no action is taken and in-house foster carer numbers continue to decrease.



APPENDIX 2

<u>DIRECTORATE:</u>	<u>Children and Young People</u>		
<u>DEPARTMENT:</u>	<u>Specialist Services</u>		
<u>CONTACT OFFICER:</u>	<u>Christine Taylor</u>	<u>DATE:</u>	<u>27th October 2009</u>

1. Outline of the Invest to Save proposal, including what the funding will be spent on.

The proposal is to seek funding to allow for an increase in the allowances paid to Halton Borough Council Foster Carers.

It has been identified for some time, and most recently by Ofsted, that the supply of foster carers in Halton is insufficient to meet demand. There is currently a shortage of at least 20 carers for children of all ages. One of the main barriers to recruitment is that fostering does not provide a carer with an income, and it is therefore not an alternative to paid employment or other opportunities in the child care sector. Halton's allowances are also increasingly uncompetitive when compared to surrounding authorities and the Independent Fostering sector.

The shortfall of carers results in the authority having to purchase expensive external placements which then places significant pressure on the Placement budget.

Current allowances are as follows:

	Basic	Enhanced
0-4	£125.09	£239.16
5-10	£142.49	£256.37
11-15	£177.38	£290.87
16-17	£215.74	£331.87

The proposed allowances are as follows:

Age	Amount
0-4	£240.00
5-15	£280.00
16-17	£320.00

2. Amount of Invest to Save funding required (£'000)

£250

3. What on-going revenue budget savings are anticipated from this proposal?			
2009-10 £'000	2010-11 £'000	2011-12 £'000	2012-13 £'000
<u>(£187)</u>	(£252)	(£9)	£164

4. What are the risks to not achieving this level of savings?
The risk is that the current projected overspend on the Placement budget of £186,726 will increase as more children need to be placed in independent placements due to the shortage of in-house carers. A projection based on the current level of Children in Care and the continued decline of in-house carers indicates that the overspend on this budget could increase to £577,076 by 2012/13 if no action is taken.

5. How sustainable will the savings be?
An increase in the number of carers will make the savings sustainable. Experience in other authorities indicates that a better level of fee attracts more new carers and retains existing ones.

6. What alternative sources of funding (HBC or external) have been explored to fund this proposal?
The only alternative would be a request for growth funding.

7. What would be the impact of the proposal upon the Council's corporate areas of focus, LAA targets, performance indicators, CPA scores, outcomes for service users, access to services, etc?
Ofsted have already identified that the Council is failing to meet one of the National Minimum Standards for Fostering by not having sufficient carers to provide placement choice. The Foster Care service is a regulated service and the inspection results have relevance to the CAA. The lack of placement choice can impact on a range of outcomes and performance indicators, including educational achievement, placement stability, emotional health and well being, employment and training, independent living, etc The proposal would result in a positive impact on most corporate areas of focus.

8. Will the proposal result in lessons/experience that can be rolled out across other areas of the Council?
The proposal may provide further learning on the utilisation of invest to save funding.

9. What is the estimated timescale to implement the proposal if it were approved?

It is proposed that fees be increased from September 2010. This timeframe will allow the proposed fees to become part of the recruitment campaign for new carers and will allow for those carers to be fully assessed and approved.