

NORTH YORKSHIRE COUNTY COUNCIL
CHILDREN AND YOUNG PEOPLE'S SERVICE
CORPORATE DIRECTOR'S MEETING WITH EXECUTIVE MEMBERS
26 MARCH 2019

**FOSTERING NORTH YORKSHIRE SERVICE:
Recommendations re 2019/2020 Payment Rates for NYCC Foster Carers**

This report

Requires a decision	✓	Seeks views	✓
Provides a briefing		Reports on performance	
Is presented in advance of an Executive Member decision			

The following implications are associated with this report:

Financial Resources	✓	Staff/HR	
Performance	✓	Community	
Legal	✓		

1.0 PURPOSE OF REPORT

- 1.1 To agree the increase in Payment Rates for NYCC Foster Carers (including Family & Friends Foster Carers, Short Break and Specialist Short Break Carers and Staying Put arrangements) for the 2019/2020 Financial Year. This will be for all Allowances, Premiums and Fees (including the Day Care rate) – with the exceptions of the original protected higher rate for Specialist Foster Carers (of £490.02 a week) and Advanced Foster Carers (of £314.62 a week) that are being honoured for the duration of current placements from the introduction of the NYCC Fostering Framework in April 2015.
- 1.2 This year there is an additional section with respect to how best to pay for Driving Lessons for Looked After young people – please see Section 5.

2.0 BACKGROUND

- 2.1 As an authority, NYCC is a member of the national charity The Fostering Network. In the past, The Fostering Network published their recommended Payment Rates for Foster Carers and North Yorkshire had always adopted these rates and thus increases.
- 2.2 Primarily due to the increasing differentials in housing costs across the country, in 2016 The Fostering Network ceased recommending Payment Rates and instead

issued the following guidance:

Allowances should be reviewed annually and adjusted to keep up with costs; at least the annual rate of inflation should be applied. Allowances should not be shaved as a result of the financial pressures affecting the majority of services.

- 2.3 The Fostering Network did not indicate which would be their recommended or preferred measure of inflation.

3.0 METHODOLOGY ESTABLISHED FOR THE 2016/2017 PAYMENT RATES AND RECOMMENDATION FOR 2019/2020 PAYMENT RATES

- 3.1 Following the guidance issued by The Fostering Network, in March 2016 North Yorkshire County Council increased fostering payments by the rate of CPI (Consumer Price Index) in December 2015 (which at the time was 0.2%).
- 3.2 The 2016/2017 methodology was originally acceptable to the members of the County Foster Carers Group and informal discussions indicate that to continue with this methodology would also continue to be acceptable to our Foster Carers.
- 3.3 As such, the proposal for 2019/2020 Payment Rates is an increase by the rate of CPI in December 2018 – which was 2.1%.
- 3.4 A financial envelope to increase fostering payments by 2.3% has actually been built into the 2019/2020 CYPS Budget.
- 3.5 Justification for utilising the December CPI rate of 2.1% is twofold:
- To use a month different to December 2018 to identify the rate of CPI to utilise for the 2019/2020 Payment Rates would differ from the now accepted practice
 - To remain as competitive as possible with Independent Fostering Agencies and neighbouring authorities with respect to future recruitment and the Allowances, Premiums and Fees that North Yorkshire pays Foster Carers

4.0 DAY CARE RATE

- 4.1 The increase in the National Living Wage to £8.21 an hour in April 2019 means that the current Fostering North Yorkshire Day Care rate of £6.26 per hour (equivalent to £7.83 when not paying tax and £7.99 with a 2.1% increase) could look slightly out of step. As most Foster Carers do not pay Income Tax on fostering income an equivalent Day Care rate is calculated without including the basic 20% rate of tax – thus be 80% of £8.21 at £6.57 per hour. Increasing from £6.26 an hour to £6.57 is more than a 2.1% increase (it is approximately 4.9%) but as there are in the order of

3,000 hours Day Care claimed a year (on average about 250 hours a month) an increase of £0.31 per hour would cost approximately only an additional £930 a year.

5.0 Driving Lessons for Looked After Young People

5.1 In the Fostering North Yorkshire 'Finance Guide to Foster Carers' Payments' on page 4 it states:

The fostering allowance covers the following costs where applicable by age:

- *General care costs including food, accommodation and related costs*
- *Normal replacement of clothing*
- *All children must receive a pocket money allowance.*
- *Normal transport associated with any child living within a family including to and from a local school*
- *Some costs associated with contact, e.g. telephone costs or hospitality*
- *Attendance at review meetings etc.*
- *Involvement in clubs and activities*
- *Keeping a record of events and memories about the child for the child*
- *Computer Internet Access*
- *Mobile phone access*
- *Driving lessons – carers should pay for at least the first 20 lessons*

With respect to the last item referencing Driving Lessons, several Foster Carers are coming forward to say that the young person's Allowance (£258.35 for 16+ Looked After young people) is no longer enough to cover Driving Lessons. This guidance was written some years ago and 20 driving lessons plus the cost of the provisional Licence, written and practical Driving Tests can now cost a total of about £1,000.

5.2 The risk is that Foster Carers are indicating that they are not in a financial position to support young people gaining the key life skill of being able to drive. The danger being that the young person is then at a potential disadvantage for future employment and/or training.

5.3 To rectify this challenge Fostering North Yorkshire is trying to identify another source of funding that could be accessed to pay for or top up the costs towards Looked After young people's driving lessons.

6.0 RECOMMENDATIONS

6.1 For the 2019/2020 Payment Rates for NYCC Foster Carers (including Family & Friends Foster Carers, Short Break and Specialist Short Break Carers and Staying Put arrangements) to be increased by 2.1% (in line with the December 2019 rate of CPI) of the 2018/2019 Payment Rates.

- 6.2 To increase the Day Care rate of £6.26 per hour to £6.57 per hour (to keep in line with 80% of the level of the National Living Wage being introduced in April 2019).
- 6.3 To note the growing challenges re paying for Driving Lessons for Looked After young people and support the process to identify another source of funding that could be accessed to pay for or top up the costs towards these driving lessons.

CORPORATE DIRECTOR – CHILDREN AND YOUNG PEOPLE’S SERVICE

Report prepared by Alan Tucker 11 February 2019

ConsultedExecutive Member

Date

ConsultedExecutive Member

Date

AgreedCorporate Director

Date