

**TO: EXECUTIVE**  
**DATE: 31 MARCH 2015**

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**FINANCIAL OPTIONS FOR STAYING PUT POLICY**  
**DIRECTOR OF CHILDREN, YOUNG PEOPLE & LEARNING**

**1 PURPOSE OF REPORT**

- 1.1 To enable a clear 'Staying Put' policy to be established for Looked After Children wishing to remain in their foster care placement past the age of 18; to consider proposals for funding Staying Put arrangements and the costs of managing a Staying Put service; to note the financial risk should the new funding from the Government not prove sufficient to meet the expected costs.

**2 EXECUTIVE SUMMARY**

- 2.1 The latest Government guidance makes it clear that they expect young people to be able to remain in their foster care home until the age of 21 through a 'Staying Put' arrangement. The proposed policy formalises existing practice whereby if both the young person and the carer are in agreement, the Council does everything possible to establish a 'Staying Put' agreement.
- 2.2 Based on the outcomes from the DfE commissioned SP pilot study, the overall cost to the Council of the proposed SP policy is estimated to maximise at £27,444. It is assumed that grant funding of £26,000 will be available for this initiative, resulting in a net pressure of £1,444.
- 2.3 However, there are a significant number of variables that impact on the financial implications which are set out in more detail at Appendix B, Bracknell Forest Staying Put Financial Implications, meaning the financial implications are difficult to accurately quantify.

**3 RECOMMENDATIONS**

- 3.1 **That the Staying Put Policy at Appendix A is AGREED;**
- 3.2 **That Option 3 from Appendix B, Staying Put Financial Implications is AGREED.**

**4 REASONS FOR RECOMMENDATIONS**

- 4.1 To ensure the Council meets the requirements of the Children and Young Persons Act 2008 and the Children and Families Act 2014, which imposed the duty on LAs to provide Staying Put arrangements, and the Planning Transition to Adulthood for Care Leavers 2010 (Regulations and Guidance) to have a 'Staying Put Policy' that sets out arrangements to promote the extension of foster care placements beyond a young person's eighteenth birthday.
- 4.2 The recommended allowance payments are considered the most appropriate to balance the level of care to be provided against the Council's resources.

## **5 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 These are set out at Appendix B.

## **6 SUPPORTING INFORMATION**

### **Background**

- 6.1 From the age of eighteen young people are no longer legally 'in care' or 'looked after' and therefore fostering arrangements and legislation relating to children placed with foster carers no longer apply. Many care leavers move into independent living at this age.
- 6.2 The Children and Families Act 2014 introduced a new duty on local authorities to support young people to remain with their former foster carers once they turn 18, called Staying Put. This came into force from May 2014. Staying Put (SP) can be in place until a young person is 21 years of age. The scheme is for former relevant children who require an extended period of time with their carers due to delayed maturity, vulnerability and / or in order to complete education or training. Where a young person has an on-going cognitive disability and meets the Adult Services Fair Access to care services, Adult Services will be responsible for their plan.
- 6.3 The agreement to stay put should be made by both the existing foster carer and the young person and is a way to extend the transition to adulthood for the looked after young person by continuing to live within the supported environment of a known family and household. Staying Put carers are therefore not recruited but transition into the role.
- 6.4 The foster carer must be in total agreement with the proposed staying put arrangement otherwise it will not be possible for it to proceed.
- 6.5 If the young person and the Carer are in agreement to a 'Staying Put' arrangement then a formal agreement is put in place detailing the responsibilities and implications for both parties. There are a range of financial and other implications for the Carer when the young person becomes an adult and guidance is provided to ensure they understand the changes. Both the young person and the Carer would continue to receive professional support from the Council to ensure the placement is working as intended.
- 6.6 The overriding principle of the policy is that former foster carers should be encouraged to continue to support young people up to the age of 21 years and should not be disadvantaged by doing so. This is balanced against the change in expectations on the carer who will be supporting a young adult to develop life skills and independence and preparing them to move on, rather than caring for a child. There should be equality of opportunity for all young people and an SP arrangement should not be precluded because the former foster carer cannot afford to enter into the arrangement.
- 6.7 The guidance in relation to 'Staying Put' does not apply to residential care for young people. This is for a range of complex regulatory reasons and the focus of the guidance is upon the relationship between care leavers and their foster carers.

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- 6.8 Whilst Children's Services have been following best practice in this area, the Council have never formally adopted a 'Staying Put' policy. The proposed 'Staying Put' policy and procedure is attached as Appendix A.

### **Financial considerations**

#### Introduction

- 6.9 SP requires a revision to current allowance payments made to carers to reflect the different income opportunities available to the young people turning 18, either through benefits, including housing benefit, or paid employment. To avoid over funding of carers, these income opportunities need to be taken into account when the council determines an appropriate contribution.
- 6.10 As these income streams vary from young person to young person, this adds a level of complication to the scheme and uncertainty to costs. Various payment options for SP carers have been considered and different arrangements are required between in-house fostering and Independent Fostering Agencies. The Bracknell Forest Staying Put Financial Implications as attached at Appendix B sets out the issues and options in detail.
- 6.11 It is recognised that there will be additional costs arising from SP, and the Department for Education (DfE) will provide a ring-fenced grant to local authorities in each of the next 3 years, based on average costs incurred through an SP pilot scheme. BFC will receive £12,820 in 2014-15 with receipts for future years yet to be confirmed, but if the current distribution of the grant to individual LAs is maintained, income of around £20,000 in 2015-16 and £26,000 in 2016-17 can be expected. After the three year period of the DfE grant there is a potential financial risk. The grant could be extended for a further period of time or if no grant funding is forthcoming the risk will need to be considered as part of the usual budget process. The biggest potential pressure being around Independent Fostering Agency costs.
- 6.12 The Association of Directors of Children's Services has written to Edward Timpson MP to raise concerns resulting from a data gathering exercise with 46 authorities, exploring implementation of the 'Staying Put' policy and particularly the sustainability of resourcing it. ADCS raised early serious concerns given the level of resourcing as in terms of costs in just those 46 authorities there is an estimated shortfall *already*, 6 months into the policy, of £3.896m. If this sample were extrapolated, based on the total £7.400m allocated to all LAs by government, it would suggest a shortfall across the country, already, of well over £13m. That does not take into account any further new arrangements, which will be started before the end of March 2015, nor the cost burdens for administering the new programme and finding additional carers for younger children, to replace those committed to Staying Put. Most LAs who responded predicted having to use many more IFA placements, with significantly higher costs, both during 'normal' foster care placement and beyond into Staying Put arrangements. This is also due to the difficulty in recruiting and training carers for the older age group.
- 6.13 Once fully established, there are expected to be around 20 young people eligible to an SP arrangement. However, it is highly unlikely that all eligible young people will Stay Put and of those that do, not all will stay for the full 3

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years. The DfE pilot study undertaken with a small sample of 5 LAs experienced an average staying on rate of 23%, and this figure is used to illustrate the potential financial implications on the council. The potential impact from other rates are modelled in the Bracknell Forest Staying Put Financial Implications as attached at Appendix B.

### In-house Fostering

- 6.14 Once fully established, there are expected to be around 12 young people eligible to an SP arrangement with in-house fostering. A review of these cases by CSC suggests that up to 10 (83%), are expected to enter SP for which four different payment options have been considered.
- 6.15 Under all options there are three elements of income to the carer; Housing Benefit (HB) that the young person would pay directly to the carer; a share of Job Seekers allowance, other benefit or earned income which again, would be paid by the young person to the carer; and a top up contribution from the Council. The contribution from the Council is calculated after reducing the carer's weekly cash income (inclusive of the market supplement and/or additional payments where applicable) by the £27.50 weekly payment currently included in foster care allowances to fund personal/pocket money, transport and clothing. Under SP, the young person would pay for these costs directly from new income; either income from employment, Job Seekers allowance or Income Support. So whilst the cash income a carer receives reduces, there is a corresponding reduction in weekly expenditure.
- 6.16 The options considered are:
- Option 1. Match current allowances, less £27.50 weekly payment for transport, personal/pocket money, and clothing. This option demonstrates a clear commitment to ensuring that the staying put provider is not financially disadvantaged compared to when the young person was 17 years old.
  - Option 2. Standard allowance paid to the carer based on cost neutral impact to the Council for a mainstream carer. This option limits the Council's contribution to a carer to no more than the average cost of alternative after care arrangements, which for 2013-14 was £125 per week. Some carers would lose up to £32 per week under this option.
  - Option 3. Reduce the £105 per week market supplement over a three year period. This would see some reduction in income to the carer if a SP arrangement continues beyond the first year. The payments will reflect that the level of care and responsibility for an 18+ year old is less than that for a looked after child, thus the market supplement element will decrease in the second and third year of an arrangement. Some carers would eventually lose up to £53 per week under this option.
  - Option 4. Set the contribution at the level that is expected to result in a net nil cost to the Council. This is £10 per week and has taken account of meeting the higher costs of payments to IFAs. Carers would lose between £41 and £147 per week under this option.

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- 6.17 Table 1 below summarises the payments and income that in-house carers would receive under each option and the financial effect on the Council.

Table 1: Summary allowance options for in-house fostering

	Option 1	Option 2	Option 3	Option 4
<b><u>Impact on Carer</u></b>				
Contribution from the Council	£51 to £157	£51 to £125	£51 to £105	£51
Other income	£181	£181	£181	£181
Saving on spend	£28	£28	£28	£28
Total income and savings	£260 to £366	£260 to £334	£260 to £314	£260
Weekly gain (+) / loss (-)	£0	£0 to -£32	£0 to -£53	£0 to -£106
<b><u>Impact on Council</u></b>				
Weekly gain (+) / loss (-)	-£32 to +£74	£0 to +£74	+£21 to +£74	+£74

All figures are weekly amounts for the carer.

- 6.18 In addition to the options set out above, alternative arrangements will need to be put into place for young people going to university. It is proposed that £50 per week retainer be paid to carers during the University term, plus an additional £30 per night when the young person returns for weekends and short breaks. The full fostering allowance would be paid for the remaining 22 weeks. These payments are between £25 and £65 a week more than alternative after care arrangements, but as numbers are likely to be very small, for costing purposes, these have been excluded.
- 6.19 Table 1 below shows the financial implications expected once the scheme is fully operational, based on average costs of placements and a SP rate of 23%. As expected, Option 1 results in a pressure with savings anticipated on Options 2, 3 and 4.

Table 1: Estimated cost of SP with in-house fostering

Impact from 2017-18	Number Potential SP Arrangements	Projected cost	Forecast cost of aftercare	Cost / (saving) from SP
Option 1	3	£21,440	£19,554	£1,886
Option 2	3	£17,408	£19,554	-£2,145
Option 3	3	£17,958	£19,554	-£1,595
Option 4	3	£7,978	£19,554	-£11,576

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### Independent fostering agencies (IFAs)

- 6.20 Once fully established, there are expected to be around 8 young people eligible to a SP arrangement with IFAs, with 2 expected to enter SP.
- 6.21 Unlike allowances paid for in-house fostering, payments to IFAs will have to be negotiated individually. Where the IFA's form part of the South East Regional Consortium from which Bracknell Forest commission most of their IFA foster carers, there is a draft protocol denoting the roles and responsibilities for a young person and SP carer and how they are divided. However all IFA placements, where there is a possible SP arrangement proposed, will need to have the financial details agreed and these potentially will vary from agency to agency but at this stage it is estimated that payments would be around 75% of existing rates, with further reductions to the contribution from the Council for Housing Benefit and pocket money / travel costs. Due to the high cost of such care arrangements, typically £750 to £900 per week, payments to IFAs are by far the most significant factor on the financial implications of the policy.
- 6.22 Table 2 below shows the financial implications expected once the scheme is fully operational, based on average costs of placements and a SP rate of 23%.

Table 2: Estimated cost of SP with IFAs

Impact from 2017-18	Number Potential SP Arrangements	Projected cost	Forecast cost of aftercare	Cost / (saving) from SP
IFAs	2	£42,074	£13,036	£29,039

## **7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

- 7.1 The relevant legal provisions are addressed within the main body of the report.

### Borough Treasurer

- 7.2 The anticipated financial implications arising from this report are set out in the supporting information. However, due to the wide range of variables and options available, it is not possible to forecast costs with a high degree of certainty, and therefore actual outcomes may be different from those currently anticipated.

### Equalities Impact Assessment

- 7.3 Staying Put supports equality and the prevention of social exclusion. No young person will have to leave a foster carer before they are emotionally and financially ready and will continue to receive support while they develop skills necessary for their transition to independent living

Strategic Risk Management Issues

- 7.4 Implementing staying put arrangements will have impact on Bracknell Forest's ability to meet the Sufficiency Duty as foster carers who continue to support young people after the age of 18 years will have reduced capacity to provide new foster placements.

Implementing staying put arrangements will cause a budget pressure as the projected costs of these arrangements and management of the service outstrip the central government grant allocated to support implementation. There are a wide range of variable factors that will influence actual cost, most notably:

1. the fee reduction agreed with IFAs, currently estimated at 40%;
2. the staying on rate, currently estimated at the average from the pilot scheme of 23%;
3. eligibility to benefits and other income;
4. the level of government grant, currently estimated at a maximum of £26,000.

The reduction in the allowance paid to former foster carers who become staying put providers may have an impact on their willingness to participate in the scheme and thus undermine the principles stated in the policy that Bracknell Forest believes that no young person should leave care before they are emotionally and financially ready and is committed to improving the experience of young people leaving care.

Other Officers

- 7.5 None.

**8 CONSULTATION**

Principal Groups Consulted

- 8.1 Foster Carers.

Method of Consultation

- 8.2 Focus Group discussions and information sharing.

Representations Received

- 8.3 None

Background Papers

Staying Put Guidance from DfE, DWP and HMRC

Draft Staying Put Policy: to be finalised following decisions re funding.

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Staying Put Good Practice Guide The Children's Partnership.

S31 Staying Put Implementation Grant (New Burdens) Determination Letter 2014-15

Contact for further information

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