

**Appendix 2 - Haringey Adoption, Special Guardian
and Child Arrangement Order analysis.**

1. **Haringey, DfE and North London Consortium allowance rates**

- 1.1. This appendix provides a detailed comparison of the Councils allowance and rates compared with the DfE minimum rates (2017/18), and North London Consortium allowance rates. Consideration is also given to comparing costs for placing a child or young person with a Foster Carer compared to a Special Guardian.
- 1.2. Weekly allowances for Special Guardians and Foster Carers rates
- 1.3. Table 1 below sets out Haringey’s current allowance for Special Guardians and Foster Carer rates. It is recommended that the Council maintains these rates for the immediate term to allow it to undertake a review of all existing Special Guardians using the Annual Review Methodology [Appendix 3]. In taking this approach, the Council is able to systematically ratify all historical allowance payments decisions identifying legal implications on a case by case basis in accordance with the Policy [Appendix 1].
- 1.4. The Council will use the DfE Model Means Test Model to assess eligibility for allowances for Special Guardianship applications, and to calculate the proportion of the full allowance payable (on a sliding scale according to the Special Guardian’s means which takes into account tax credits).
- 1.5. The allowances are linked to the Councils fostering allowances and are based on the needs of the child. The allowance is paid to Foster Carers and friends and family carers following the making of a Special Guardianship Order in respect of the previously fostered child. Where Foster Carers were in receipt of a fostering allowance, they will continue to receive this and the Special Guardianship allowance, less Child Benefit and Child Tax Credits, in order to maintain their level of income. The allowance includes payment for birthdays, festivals, holidays and school uniform.

Table 1 Haringey Special Guardian Allowances and Foster Carer Reward Element 2017/18

| Allowances and fees for 2016/17 - Haringey | Babies | Pre-primary | Primary | 11 to 15 | 16 to 17 |
|--|---------|-------------|---------|----------|----------|
| Haringey SG Allowance (for child) | £185.00 | £185.00 | £185.00 | £232.00 | £252.00 |
| Haringey Foster Carer Reward Element (for carer) | £192.00 | £192.00 | £192.00 | £205.00 | £205.00 |
| total paid £ | £377.00 | £377.00 | £377.00 | £437.00 | £457.00 |

- 1.6. The table below compares Haringey’s current Special Guardian allowance payments compared to DfE minimum weekly allowance 2017/18. Haringey consistently pays higher across each of the age bands compared to the DfE minimum allowance rates.

Table 2 Haringey Special Guardian Weekly Allowance Rates V's DfE Minimum Weekly Allowance Rate

| | Babies | Pre-primary | Primary | 11 to 15 | 16 to 17 |
|---|--------|-------------|---------|----------|----------|
| DfE Minimum Weekly Allowance Rates | £144 | £147 | £165 | £187 | £219 |
| Haringey Weekly Allowance Rates (for child) | £185 | £185 | £185 | £232 | £252 |
| Sum above the DfE Weekly Minimum Rate | £41 | £38 | £20 | £45 | £33 |
| % rate above the weekly London Minimum Rate | 22.16 | 20.54 | 10.81 | 19.40 | 13.10 |

1.7. The table below compares the North London's Consortiums weekly average reward element paid to Foster Carers across the different age bands with Haringey's. Across each age band, the Consortium average weekly rate is higher. It should be noted however that the reward element varies between the Consortium members. In addition to this, some members use a skills tiered system where the reward element increases. Haringey does not apply a tiered skills system. Haringey does have specialism, that's is consortium lead (currently applicable to only 2 carers) but others wise it is a flat rate, that changes dependant on the age of the child.

1.8. **Table 3 Consortium Average Reward Element for Foster Carers V's Haringey's Rates**

| | Babies | Pre-primary | Primary | 11 to 15 | 16 to 17 |
|---|---------|-------------|---------|----------|----------|
| Consortium average reward element | £229.93 | £212.95 | £212.95 | £222.13 | £222.13 |
| Haringey reward element | £192.00 | £192.00 | £192.00 | £205.00 | £205.00 |
| difference between consortium reward average and Haringey | £37.93 | £20.95 | £20.95 | £17.13 | £17.13 |
| % above/below consortium reward average | 16.50 | 9.84 | 9.84 | 7.71 | 7.71 |

1.9. Going forward, the Council seeks to continue to pay the current fostering reward element as part of its permanency strategy; the financial implications are considered to be far less if the child is LAC. The granting of a Special Guardianship Order or Adoption Order reduces staff monitoring requirements, including social worker, Independent Reviewing Officer, education support and other administrative duties. If the child remains LAC, the Council will continue to face the costs of supporting a looked after child.

1.11. Set up costs of fostering and support care V's Special Guardian annual Cost

1.12. This section compares the one-off placement cost of foster care compared to the cost of establishing child permanency with a Special Guardian.

1.13. Making use of the methodology developed by the Department for Education and using a range of pre-existing process unit costs (for example referrals, reviews and ongoing support) it has been possible to estimate the unit costs of support care, using individual case studies as illustrative examples. The following eight social work processes for which unit costs can be calculated and are based on the case management operations that underpin the task of looking after children.

1. Process one: Decide if child needs to be looked after and find first placement
2. Process two: Care planning (including the care plan, personal education plan and health assessment)
3. Process three: Maintaining the placement
4. Process four: Cease being looked after
5. Process five: Finding a subsequent placement
6. Process six: Review
7. Process seven: Legal interventions
8. Process eight: Transition to leaving care services

1.14. All looked after children will go through the first four processes during the time they spend in care or accommodation. Processes five to eight will need to be undertaken for some, but not all children, for example, those who remain looked after for a month or more will be subject to a looked after review. Process three is an ongoing process and includes both the placement cost and the continuing activity provided by social services personnel to support the child in their placement.

1.15.

1.16. The table below includes the activity costs (based on DfE data) to find the first placement for a single child, to review the case (using statutory timeframes of 28 days, three monthly and six monthly intervals), update care plans and also support the children in their placements.

Table 4 DfE annual cost estimate for sourcing and maintaining placement for LAC

| Process | Social work cost (£) based of DfE activity data, these figures are based on the average activity from six local authorities in England and Wales |
|---|--|
| Decide child needs to be looked-after and find first placement | 965 |
| Care plans: Updated three times following reviews | 1,734 |
| Maintain the placements: Support and placement costs (*£635 per week, placement cost and the continuing activity provided by social services personnel to support the child in their placement) | 33,020 |
| Review: Held on three occasions during the year (3 x £614) | 1,842 |
| Total | 37,561 |

NB:

1. DfE activity data - these figures are based on the average activity from six local authorities in England and Wales.
2. Social Worker average salary of £27,360 per year (Social Worker Salary (United Kingdom) – Pay Scale).
3. LBH: In-House Foster Care: average of £444 per / Independent Foster Agency: average of £826 per week (total average*£635)

1.17. Based on DfE model and activity data local authority average foster care for one child is £37, 561per annum. When this is compared to the cost of establishing Special Guardian, the overall cost is lower across all age bands. See table 6 below.

- Across the different age bands, the Special Guardian annual cost ranges between £12, 510 to £15,994.
- For former Foster Carer, assuming that in all cases the Foster Carer Rearward element is payable in combination with the Special Guardian allowance, the cost across the different age bands ranges from £22, 494 to £26,654.

1.18. It is evident that placing a looked after child with Special Guardian not only provides improved stability through permanency arrangements, it is significantly cost effective for the Council.

Table 5 Special Guardian annual cost

| | Special Guardian Assessment (Spot purchase) | LBH Allowance (Maximum available) | *Annual Allowance (assumes maximum allowance is payable) | Reward Element (paid to former Foster Carers) | Annual Reward Allowance (paid to former Foster Carers) | Legal Fees for Special Guardians (one-off) | Settling in Grant (one-off and only applicable to children not living with connected person) | Total estimated annual Special Guardian cost (excludes reward allowance) | **Total estimated annual cost (includes reward allowance) |
|-------------|---|-----------------------------------|--|---|--|--|--|--|---|
| Babies | £2,040 | £185 | £9,620 | £192 | £9,984 | £350 | £500 | £12,510 | £22,494 |
| Pre-primary | £2,040 | £185 | £9,620 | £192 | £9,984 | £350 | £500 | £12,510 | £22,494 |
| Primary | £2,040 | £185 | £9,620 | £192 | £9,984 | £350 | £500 | £12,510 | £22,494 |
| 11 to 15 | £2,040 | £232 | £12,064 | £205 | £10,660 | £350 | £500 | £14,954 | £25,614 |
| 16 to 17 | £2,040 | £252 | £13,104 | £205 | £10,660 | £350 | £500 | £15,994 | £26,654 |

NB:

- *Assumes maximum Special Guardian Allowance is Paid although in reality this will vary depending on outcome of each Means Test. Therefore, overall annual allowance cost is likely to be lower.
- **Assumes in every case both reward element and Special Guardian Allowance is payable. Although this illustrates the potential financial maximum commitment, current data indicates that only 7% of Special Guardians were former Foster Carers.

1.19. This section looks at assessing the Councils current financial commitments to existing cohort of carers and the extent to which the Councils allowance and reward rates are in line with the North London Consortium average. Tables 6 to 10 capture the following financial information:

- Special Guardian Volumes and Average Weekly Rate based on Mosaic Data, Nov 16
- Cost Projections using Haringey Special Guardian Volumes and DfE Minimum Weekly Allowance Rates
- Consortium Weekly Average Allowance Rates V's DfE Weekly Allowance rates for Special Guardians
- Haringey Current Weekly Allowances Rates Applied to Existing Special Guardian Volumes Across Age Bands
- Consortium Average Weekly Allowances Rates Applied to Existing Special Guardian Volumes Across Age Bands

1.20. Haringey currently has in place approximately 230 SGO's (based on Mosaic data as of Nov 16). The table below provides a breakdown of the volume of SG's across the different age bands including the average weekly allowance and total annual expenditure. Based on the available data in Mosaic, the Council financial commitment as of November 16 for 230 Special Guardians is approximately £2.2M.

Table 6 Special Guardian Volumes and Average Weekly Rate based on Mosaic Data, Nov 16

| Age Group | Numbers | Average weekly rate based on current Mosaic data (£) | Annual Average rate based on Mosaic Data |
|-----------|---------|--|--|
| 0 to 2 | 25 | £154 | £200,200 |
| 3 to 5 | 46 | £183 | £437,736 |
| 6 to 10 | 81 | £178 | £749,736 |
| 11 to 15 | 61 | £204 | £647,088 |
| 16 to 17 | 15 | £197 | £153,660 |
| 18+ | 2 | £128 | £13,312 |
| Total | 230 | | £2,201,732 |

Note: Assumes Mosaic data reflects all known commitments at November 16.

1.21. Analysis of weekly allowance payment in Mosaic identified that payment varied considerably and did not consistently correlate with the established reward and allowance rates detailed in table 1. Crucially, this meant it was extremely difficult to create savings projections based on potential changes to the Councils current allowance rates. This has highlighted the need to systematically review each existing allowance agreement and ratify agreements with existing cohort of carers on a case by case basis in accordance with the Policy [**Appendix 1**].

1.22. The table below provides annual projection costs applying Haringey's existing Special Guardian volumes against the DfE minimum weekly allowance. Should the

Council adopt DfE minimum weekly allowance there is a potential to reduce existing financial commitments by approximately £190K.

Table 7 Cost projections using Haringey Special Guardian Volumes and DfE Minimum Weekly Allowance

| Age Group | Numbers | DfE minimum Weekly Allowance (London) | Annual Cost Projection based on Government minimum Allowance (London) |
|-----------|---------|---------------------------------------|---|
| 0 to 2 | 25 | £144 | £187,200 |
| 3 to 5 | 46 | £147 | £351,624 |
| 6 to 10 | 81 | £165 | £694,980 |
| 11 to 15 | 61 | £187 | £593,164 |
| 16 to 17 | 15 | £219 | £170,820 |
| 18+ | 2 | £128 | £13,312 |
| | 230 | | £2,011,100 |

- 1.23. A key Council priority is to create permanency for children by progressing plans for Adoption or Special Guardianship. This is both beneficial for the child and also reduces LAC costs for the Council. For this reason, it is important the Council does not reduce its current allowance rates in line with the DfE minimum rate.
- 1.24. The fact that the Council has not historically applied a consistent approach to following the set guidance and applying its current weekly allowances has created a complex situation that requires careful consideration and management. The Council does however recognise it must ensure, over the long term that all carers are subject to the same Policy considerations and the DfE financial Means Test. Key to this is ensuring that existing carers are not financially disadvantaged and the Council does not create barriers to progressing a plan for Adoption or Special Guardianship.
- 1.25. In addition to the above, it is proposed that the Council broadly maintain weekly allowance rates for Special Guardians and Foster Carers in line with the North London Consortium, made up of, Haringey, Camden, Enfield, Hackney and Islington. This is to maintain a level of parity in allowance rates reducing competition for Foster Carers between consortium members.
- 1.26. **Overall Comparison of North London Consortium allowance rates**
- 1.27. The Consortium members have set their own individual rates for both Special Guardian allowances and Foster Carer rates. The table below provides comparison of Haringey's Special Guardian weekly allowance rates against the Consortium average and the DfE minimum rate. In summary:
- Compared to the Consortium average weekly allowance, Haringey Council rates are higher across all age bands with the exception of 11 to 15 years where it is lower.
 - The Consortium average weekly allowance is higher across all age bands compared to the DfE minimum weekly allowance.

- Overall, using the benchmarking data from the Consortium member weekly allowance rate, Haringey allowances are broadly in line with the North London Consortium members.

Table 8. Consortium Weekly Average Allowance V's DfE Weekly Allowance for Special Guardians

| | Babies | Pre-primary | Primary | 11 to 15 | 16 to 17 |
|---|--------|-------------|---------|----------|----------|
| Consortium Weekly Allowance average | £174 | £178 | £182 | £239 | £248 |
| DfE minimum Allowance (London) | £144 | £147 | £165 | £187 | £219 |
| Consortium sum above the DfE minimum rate | £30 | £31 | £17 | £52 | £29 |
| % above/below Consortium average | 17 | 18 | 9 | 22 | 12 |
| Haringey Allowance | £185 | £185 | £185 | £232 | £252 |
| Sum above/below Consortium average | £10.75 | £6.63 | £3.03 | -£7.02 | £4.06 |
| % above/below Consortium average | 6.17 | 3.71 | 1.66 | -2.94 | 1.64 |

1.28. **Applying Haringey and Consortium Average Weekly Rates to Existing Special Guardian Volumes (as of Nov 16)**

1.29. The tables below compare the average Consortium allowance rate (and Haringey's weekly allowance for Special Guardians, whilst using the current volumes across the different age bands. The weekly payment allowance for each band assumes that the maximum allowance is payable in each case. On this basis, Haringey total annual cost is approximately £2.4M while the annual cost based on the Consortium average weekly rates is £2.384M. There is approximately £24K difference between the two annual cost projections using the two different sets of rates. This is further evidence that Haringey's Special Guardian allowance rates are comparable to the North London Consortium rates.

Table 9 Haringey current weekly allowances applied to existing Special Guardian volumes across age bands

| Age Group | Numbers | Haringey Weekly Allowance | Haringey Annual Allowance |
|--------------|------------|---------------------------|---------------------------|
| 0 to 2 | 25 | £185 | £240,500 |
| 3 to 5 | 46 | £185 | £442,520 |
| 6 to 10 | 81 | £185 | £779,220 |
| 11 to15 | 61 | £232 | £735,904 |
| 16 to 17 | 15 | £252 | £196,560 |
| 18+ | 2 | £128 | £13,312 |
| Total | 230 | | £2,408,016 |

Table 10 Consortium Average Weekly Allowances Applied to Existing Special Guardian Volumes Across Age Bands

| Age Group | Numbers | Consortium Weekly Allowance Average | Annual Average rate based on Consortium Average |
|-----------|---------|-------------------------------------|---|
| 0 to 2 | 25 | £174 | £226,525.00 |
| 3 to 5 | 46 | £178 | £426,670.61 |
| 6 to 10 | 81 | £182 | £766,474.49 |
| 11 to15 | 61 | £239 | £758,171.44 |
| 16 to 17 | 15 | £248 | £193,393.20 |
| 18+ | 2 | £128 | £13,312.00 |
| | 230 | | £2,384,546.74 |

1.30. **Opportunities for savings**

1.31. The current data in Council social care management system Mosaic, suggests that approximately 7% of special guardians were former foster carers. Table 11 below lists approximately 15 former foster carers currently receiving the foster carer reward payment as well as the special guardian allowance. The total annual commitment is approximately £320K. It is important to note that this figure is part of the overall payment commitment £2.2M of all 230 special guardians (as noted in table 6 in Appendix 2).

Table 11 Reward Rates Paid to Special Guardians who were former Foster Carers

| | Payment Start Date | Number of SG's former Foster Carer | Weekly Amount | Annual Payments | Total Foster Carer Allowance to end in Dec 18 |
|---|--------------------|------------------------------------|---------------|-----------------|---|
| Current data assumes that 7% of Special Guardians were former Foster Carers | 2015 | 7 | £377.00 | £137,228.00 | £157,257.88 |
| | 2015 | 1 | £390.32 | £20,296.64 | |
| | 2015 | 1 | £394.87 | £20,533.24 | |
| | 2015 | 4 | £437.00 | £90,896.00 | |
| | 2015 | 1 | £480.00 | £24,960.00 | |
| | 2015 | 1 | £509.00 | £26,468.00 | |
| Total | | 15 | | £320,381.88 | |

1.32. For the 15 cohort of legally appointed carers, in all cases, the payment start dates commenced across different dates in 2015. When factoring in the statutory guidance of ending reward element after two years of commencement, all the payments could be ended in December 2017. This would mean the foster carer allowance amount of approximately £157K per annum would no longer be required to be paid. Based on the statutory guidance, the Council could potentially realise savings of £157K in year. However, it is more likely that the savings will be achieved in December 2018, as a consequence of applying the Special Guardian Review Methodology detailed in Appendix 3 which will ensure fair notification to all legally appointed carers once the Council embarks on working through its current backlog of special guardian financial reviews.

1.33. The Council has the option to extend the allowance payment notice to legally appointed carers who were former foster carers for a period of 1 Year which would allow the savings to be achieved by Dec 2018. Crucially, the Council must commence the special guardian financial assessment reviews in 2017 to achieve this. Based on this option, it is estimated that Year 2 (2018/19) MTFS savings of £148K will be potentially achieved, however savings for Year 1 (2017/18) of £150K and Year 3 (2019/20) of £310K will be subject to the outcomes of the annual financial reviews being undertaken for all existing special guardians.

1.34. **Staff resource implications**

- 1.35. The commencement of financial reviews of all existing and future special guardians will result in creation of new workload within the directorate. There is no resource capacity to undertake this work using existing staffing levels. It is proposed that 1 X FTC Officer is recruited to undertake this work. It is estimated that the cost will be approximately £38K (with on costs).
- 1.36. This post will be recruited on a fixed term contract for 1 Year to manage the backlog of financial reviews. Once the backlog is cleared, the Council will undertake options appraisal to assess the most cost effective way to continue delivering this work on a permanent basis.
- 1.37. The service area is currently under-resourced and there are financial implications associated with this as well as legal risks which may damage the Council reputation. The failure to resource a dedicated member of staff to manage this area of work could potentially result in overpayments going forward. This is a complex area of work and the Council needs to ensure that it recruits staff with the right skills and legislative knowledge going forward. Over the last year, the Council has received the following complaints and enquiries:
- One request to attend Court to review financial decision.
 - Seven formal complaints, some of which escalated to stage two of the complaints process. One was threat of Judicial Review (solicitors liaising through the Councils Legal Team).
 - Fifty-eight informal complaints.
- 1.38. Significant officer time has been refocused from other important areas of the Council to respond to complaints and legal matters from the private solicitors and the Court. It is approximated that responding to Stage 2 complaints can cost between £2.5K to £6k. Taking this into account and the staff time spent managing the remaining 58 complaints, it is approximated that 0.5 x FTE officer time (£17k) has been dedicated to managing the total number of complaints and legal enquiries. This cost estimate does not include the time and resource spent by Legal Services or the net financial impact of officers being taken away from their main work activity.