

PERTH AND KINROSS COUNCIL**Lifelong Learning Committee****4 November 2015****Children and Young People (Scotland) Act 2014: Financial Arrangements to Support the Implementation of Continuing Care (Part 11)****Report by Director (Social Work)****PURPOSE OF REPORT**

This report sets out detailed financial implications of continuing care under the Part 11 of the Children and Young People (Scotland) Act 2014 and the proposals for funding continuing care placements.

1. BACKGROUND/MAIN ISSUES

- 1.1 The Children and Young People (Scotland) Act 2014 (the Act) is made up of various parts which place new duties on the Council with the aim of improving services to children and young people. Part 11 of the Act places new duties on local authorities in relation to young people who have been looked after to support them as they transition into adulthood. The ethos of this Part of the Act is to encourage young people to remain in their care placement and to be supported for longer once they have reached adulthood. The report considered by the Lifelong Learning Committee in May 2015 ([Report 15/212 refers](#)).
- 1.2 The right to continuing care applies to young people who are looked after within foster care, Approved Kinship Care or residential care placements. It affords young people more choice and places a new duty on the local authority to provide continuity of support that meets the welfare needs of the young person up to the age of 21. The ethos of the provision of support and the continuation of a care placement is to provide a bridge from the protected status of a looked after child to adult independence. The new duty does not apply to young people who are placed in Residential Schools as an educational placement or young people in secure accommodation. The duty applies to a single cohort of young people who are looked after at their 16th birthday and who have a date of birth **after** April 1999.
- 1.3 All Care Services in Scotland are regulated by the Care Inspectorate. The Care Inspectorate has indicated that continuing care placements in both foster care and residential care will be subject to registration and regulation as an adult care service. The Care Inspectorate does not regulate kinship care. The Scottish Government has indicated that the status of continuing care will be added to the CLAS (Children Looked After Statistics) to monitor local authority performance in this area.
- 1.4 The Council is committed to the aspiration for all children and young people to be nurtured and supported within their own communities. To meet this aspiration in the context of increasing numbers of looked after children and building on current services to provide continuing care, two transformational

projects have been approved. The report Building Ambition: The Council's Transformation Strategy 2015-2020 ([report 15/292 refers](#)). The Review and Remodelling of Residential Care Services (Children and Young People) and the Expansion of Family Based Care are transformation proposals aimed at increasing the range and supply of local care options and to reduce the need to place children in external placements. These are due to commence in 2016/17.

- 1.5 The Scottish Government has produced draft guidance in relation to Part 11 of the Act, however, this offers no guidance in relation to financial payments. The associated financial memorandum from the Scottish Government clearly states that the financial responsibility for the implementation of continuing care rests with each local authority. The additional funding from the Scottish Government from 2016/17 onwards is not yet known but there is a significant risk that there will be a sizeable shortfall. Perth and Kinross Council received £96k as additional funding in 2015/16 towards the costs of implementation of continuing care.
- 1.6 It is difficult to predict the proportion of young people who will exercise their right to a continuing care placement, or when they will feel ready to do so. None of our eligible young people have taken this step to date, but over time greater confidence and enhanced encouragement in relation to these very new arrangements will make this a more attractive option for young people. If all 12 young people eligible in 2015/16 take up the option of continuing care the projected cost is estimated to be £302k dependant on the uptake of places and the type of placement provided. Table 1 shows a breakdown over the next 3 years of young people who are currently looked after by placement type and the year in which the young person becomes eligible for a continuing care placement.

Table 1 - Profile of young people who will be eligible for continuing care over the next 3 years by placement type

Age	Financial Year Start Date	Foster Care Placements	Kinship Care Placements	Residential Placements	Independent Fostering
15	15/16	6	2	2	2
14	16/17	5	4	2	2
13	17/18	7	3	1	3

- 1.7 Each type of care placement requires a different financial model which takes account of the current levels of financial support for the looked after young person and which reflects the changing nature of the task that will be carried out by the carer or provider. Providers have a right to decline to offer a continuing care placement. It is therefore essential that a financial package is offered which does not disadvantage the provider or dissuade them from providing a continuing care placement.

2 Foster Care

- 2.1 There are currently 18 young people who are looked after by Perth and Kinross foster carers who will become eligible for a continuing care placement in the next 3 years, 6 of whom may exercise this option in the current financial year. Initial discussions have taken place with foster carers to encourage their support to provide continuing care opportunities for young people beyond the age of 16 years and up to the age of 21 years. A further training session with foster carers to inform them of the changes in relation to the new duties of continuing care and their role in that is scheduled for October 2015.
- 2.2 The role that foster carers will undertake with young people in their care in a continuing care placement will be different. There is an expectation that the young person will be given the opportunity to develop skills in independent living but continue to have the safety of the foster placement to be allowed to grow into adulthood and learn from mistakes. Young people will be required to adhere to the rules of the foster home and negotiate with the carer about their freedoms. Foster carers are generally supportive of the principle of continuing care, and Perth and Kinross has a positive track record of supporting young people to remain in foster care beyond their 16th birthday. However, some foster carers have already indicated that they would not be willing to provide care for young people up to 21 years of age. Recruitment of foster carers in the future will now address the need to provide placements until the young person reaches the age of 21.
- 2.3 The current foster care payments are made up of fees and allowances. The fee is the part that is paid to the carer as their “wage” and the allowance is used as maintenance for the child or young person. The allowance is meant to cover food, clothing, utilities, travel and activities. When considering continuing care the young person is likely to have left school and be in employment, training or post-school education. The expectation of most young people at this life stage is that they begin to fund certain activities and clothing themselves. Therefore the payment of the full level of fee and allowance up to the age of 21 years is not appropriate.
- 2.4 The most appropriate and more affordable model to support young people in foster care to move into a continuing care placement is based on the Council’s adult placement scheme, Shared Lives. This is for adults who require additional support that are placed with carers and live within a family home as part of an adult placement scheme. The foster carer would need to be registered as part of an adult placement service, and the fee paid to the carer of £420 per week would be in alignment with adult care rates for a similar role. This fee would cover the carer’s wages, utilities and food. The carer will continue to be recognised as providing a valuable service and will be more likely to be willing to provide the placement. The service would be regulated by the Care Inspectorate as an adult care placement service.
- 2.5 In this model, the young person who elects to move into a continuing care placement will also learn the skills of budgeting in a gradual way, by beginning with personal expenses, before taking full responsibility for food and utilities. The young person would contribute £20 per week to the household as “dig

money”. Table 2 below provides the estimated financial impact of adopting an adult care placement model over the next 3 years for eligible young people.

Table 2. - Estimated financial costs to provide an adult care model for continuing care compared to existing costs of foster care

Fee structure	2015/16	2016/17	2017/18
Adult care model	£59k	£182k	£323k
Foster care model	£77k	£233k	£413k

3 Approved Kinship Care

- 3.1 Approved Kinship Carers are family members and would usually wish to continue to support young people in their care after the age of 16 years. Young people who are looked after at the point of turning 16 years will be able to elect to remain in placement and receive ongoing support through a continuing care placement with their kinship carer until they reach 21 years. Kinship carers should not be discouraged from providing the continuing care placement and the risk of this would increase substantially if they were to experience a decrease in allowances.
- 3.2 There are currently 9 young people who are looked after by Approved Kinship Carers and who will become eligible for a continuing care placement over the next 3 years, 2 of whom may exercise this option in the current financial year.
- 3.3 The preferred model for funding continuing care placements with Approved Kinship Carers is through the continuation of the allowance of £218.58 (the current rate for 16-18 year old in Approved Kinship Care per week). As with foster carers, the young person would be expected to finance their own personal expenses and contribute £20 a week to the household as “dig money”. The young people who choose continuing care will most likely have left school and be over the age of 16, therefore, the carer will not be eligible to apply for child related benefits. Providing an allowance at this rate will recognise the carer as providing a valuable service and therefore they will be more likely to provide the placement.

Table 3 - Estimated costs to support Approved Kinship Carers to provide continuing care placements

2015/16	2016/17	2017/18
£6k	£61k	£103k

4 Residential Care and Independent Foster Care

- 4.1 Young people placed in residential placements and independent foster care must be given the opportunity to stay in their accommodation if the provider agrees, and, as long as continuing in that placement would not be detrimental to the young person. The cost of these continuing care placements will be determined by the individual provider. We have 12 young people who are looked after in external residential or fostering services who will become

eligible for a continuing care placement in the next 3 years, 4 of whom may exercise this option in the current financial year.

- 4.2 Table 4 below sets out the financial implications over the next 3 years at the current rate of expenditure for residential care and independent foster care, should all of the young people who are eligible opt for a continuing care placement:

Table 4 - Estimated financial implications of continuing care through external placements

Type of placement	2015/16	2016/17	2017/18
Independent Foster Care	£36k	£195k	£312k
Residential School	£202k	£590k	£1,075k

- 4.3 The additional funding from the Scottish Government from 2016/17 is not yet known, but there remains a significant risk that there will be a sizeable shortfall. Using projections from the current population of looked after young people who are eligible for continuing care, and assuming that they all choose to remain in their care placements at the point of turning 16 years, the total costs will increase to £1.8 Million in 2017/18. Table 4 below sets out the total financial implications of continuing care over 3 years.

Table 5 - Total estimated financial implications of continuing care for next 3 years

2015/16	2016/17	2017/18
£302k ¹	£1,028k	£1,813k

5 PROPOSALS

- 5.1 It is proposed that the Committee:

- (i) Notes the progress in relation to implementation of the duties of Part 11 of the Children and Young People (Scotland) Act 2014;
- (ii) Notes the significant risk of a substantial shortfall in Government funding to meet the legal duties under Part 11 of the Children and Young People (Scotland) Act 2014;
- (iii) Notes the financial proposal in relation to supporting foster carers to provide continuing care through the payment of allowances equivalent to that of adult placement rates;
- (iv) Notes the financial proposal in relation to supporting Approved Kinship Carers to provide continuing care through the payment of allowances equivalent to foster carer allowances; and
- (v) Notes that individual negotiation will take place with the providers of external placements in order to assist young people to exercise their right to choose continuing care.

¹ This figure represents the full year costs for this financial year but there are no young people choosing a continuing care placement at present.

6. CONCLUSION AND RECOMMENDATION

- 6.1 It is recommended that Committee agrees to the proposals outlined in section 5.

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Strategic Implications	Yes
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	Yes
Financial	Yes
Workforce	No
Asset Management (land, property, IST)	No
Assessments	Yes
Equality Impact Assessment	Yes
Strategic Environmental Assessment	No
Sustainability (community, economic, environmental)	No
Legal and Governance	Yes
Risk	No
Consultation	Yes
Internal	Yes
External	No
Communication	No
Communications Plan	No

1. Strategic Implications

Community Plan / Single Outcome Agreement

1.1 The ethos of Part 11 of the Act is to ensure that each young person who is looked after at age 16 has support to make the transition into adulthood for longer. This would ensure that they are given the best start to their adult life and well as supporting them in making the right decisions.

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens

Corporate Plan

1.2 The ethos of Part 11 of the Act is to ensure that each young person who is looked after at age 16 has support to make the transition into adulthood for longer. This would ensure that they are given the best start to their adult life and well as supporting them in making the right decisions

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;

1.3 The report also links to the Education & Children's Services Policy Framework in respect of the following key policy area:

- Maximising Resources

2. Resource Implications

Financial

- 2.1 Confirmation of the level of funding is expected by January 2016 From the Scottish Government. The number of young people who will seek continuing care is unknown at this stage; therefore impact on the ECS revenue budget cannot be quantified.
- 2.2 Staff in Children and Families Services are engaging with these young people and their carers to ascertain their aspirations for future support. Once this exercise has been completed, revised projections will be reported through the revenue monitoring reports at SP & R committee in December 2015.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

This section should reflect that the proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

- (i) Assessed as **not relevant** for the purposes of EqIA

Legal and Governances

- 3.2 Part 11 of the Children and Young People (Scotland) Act 2014 sets out new Continuing care duties. Legal Services have been involved in discussion about the implementation of these duties and the proposals set out in the report.

Risk

- 3.3 Financial:
There are significant financial implications associated with implementing Part 11 of the Children and Young People (Scotland) Act 2014 which vastly exceed the additional funding from the Scottish Government.

Resource:

There is a risk that the demand for Care Placements will exceed the availability.

Emotional Wellbeing:

There is a risk of further harm to the emotional wellbeing of vulnerable young people if they request continuing care but the provider declines.

4. Consultation

Internal

- 4.1 The preparation of this report has involved consultation with Foster Carers and staff in family placement, Throughcare and Aftercare and Adult Care Services.

The Head of Legal Services has been consulted

External

None

5. Communication

- 5.1 Information sessions for Foster Carers and Approved Kinship Carers will be arranged to inform them of the changes to the financial support available.

2. BACKGROUND PAPERS

Children and Young People (Scotland) act 2014.

3. APPENDICES

None

