

Westminster Hall Debate – Foster carer allowances 15th January 2024

Foster carer allowances

The Department for Education announced a 6.88% uplift to the foster carer National Minimum Allowance (NMA) in December for the next financial year. The Fostering Network welcomes this increase – which goes beyond the current inflation rate of 4.6% – as it will help ensure children and young people achieve their best possible outcomes. However, it still doesn't go far enough and falls below The Fostering Network's own recommended rates which cover the full cost of caring for a child. Read our [press release](#) for more information on this. It is also unclear whether this is a full funded increase or if councils will have to find this money from existing budgets for adult and children's social care. The current NMA allowance rates are on our [website](#).

The Scottish Government introduced the Scottish Recommended Allowance (SRA) in August 2023, becoming the last UK country to establish some form of NMA. The SRA applies to both foster carers and kinship carers. The SRA levels are generally higher than the NMA levels across most of England (except for children aged 11-15) and Northern Ireland but are lower than or similar to the levels in South East England and London, and consistently lower than the levels in Wales. They are also lower than The Fostering Network's recommended rates. The Scottish Government is currently considering the possibility of uprating the SRA in line with inflation.

Every year we conduct FOI requests to find out how much foster carers are receiving in allowances across the UK. Our latest [allowances report](#) published in September 2023 found there was a real inconsistency in allowances for foster carers across the UK resulting in a postcode lottery.

Key findings:

- In England, 32% of LAs are paying under the NMA in one or more categories and only 26% are paying at the NMA for all age bands. This results in discrepancies such as the maximum difference in allowance rates for 11-15 year olds per year in England being £8,470.80.¹
- In Scotland, the maximum difference in rates was for 16-17 year olds at £7,724.60 per year.
- Neither the UK or Scottish Governments monitor the NMA or SRA. The Fostering Network have to carry out FOIs to ascertain this information and it doesn't cover Independent Fostering Agencies as they are not subject to FOI requests.
- Foster families are currently receiving much less than they need to support the children and young people in their care to achieve their best possible outcomes. Longstanding under-funding has been exacerbated by the cost-of-living crisis, pushing some foster carers to the point of giving up and deterring people from applying to become foster carers.

¹ The Fostering Network (2023) '[Our children deserve better](#)' *Calling for a fairer funding framework for children and young people in foster care*

- On top of this, local authorities have a wide variation in the additional allowances they provide for holidays, birthdays, nappies and other essentials. Our survey of local authorities revealed that one-off payments ranged from £20 at the start of the school year to £400 for a holiday.

In response to this continual under-funding of foster carer allowances across the UK, The Fostering Network have calculated our recommended rates based on extensive research on the full costs of caring for a child including Loughborough University's [Minimum Income Standard for the UK](#) and Nina Oldfield's [The Adequacy of Foster Care Allowances](#) and in collaboration with Pro Bono Economics.

The Fostering Network's 2023/4 recommended rates are:

- £227 per week to raise a child in foster care aged 0-4 years
- £275 per week to raise a child in foster care aged 5-10 years
- £349 per week to raise a child in foster care aged over 11 years.

Background on allowances

Insufficient allowance rates contribute significantly to foster carers' negative experience of fostering which has been exacerbated by the cost of living. Only 61% of respondents to our State of the Nation survey in 2021 reported that that the allowance and expense claims cover their cost of fostering. Of those who say the costs of caring for a child are met, 63% would recommend fostering to others, while only 44% of those who say that the costs are not met would recommend fostering to others.²

Covering costs is particularly challenging for single foster carers who did not have financial support from a partner, and most participants noted that the financial compensation was not sufficient to sustain themselves without alternative income.³ Of those who do not feel that allowances meet the costs of looking after a child, 49% stated that more one off payments for exceptional expenses such as for driving lessons, laptops and furniture would help them meet the needs of the child in their care.

Foster carers also reported that payments were often very delayed (in some cases by months), that they received incorrect payments and that there was no way of knowing what payments covered the allowance, fee or other expenses. This means they were unable to see how much they had been compensated.

Post-18 allowances

In each country of the UK, there are schemes in place to enable young people to remain living with their former foster carers until the age of 21 (or older in certain circumstances). These arrangements empower young people to remain living in a family environment and allow them longer to develop and prepare for independent living.

No country in the UK has a post-18 NMA. Our State of the Nation survey found that three quarters of foster carer respondents who had cared for a young person in an 18+ arrangement experienced a drop in financial support. Our allowances report found that there is a maximum difference of £12,044.76 per year for 18+ allowances.⁴

For some children, a weekly NMA will be the only funds their foster carers receive, while others may be able to keep receipts and claim for additional items. Some will receive furniture and equipment, some might be able to claim mileage, sometimes extra payments are made during school holidays, or

² The Fostering Network (2021) [State of the Nation's Foster Care 2021 Report](#)

³ The Fostering Network (2021) [State of the Nation's Foster Care 2021 Report](#)

⁴ The Fostering Network (2023) ['Our children deserve better' Calling for a fairer funding framework for children and young people in foster care](#)

birthdays, occasionally funds for clothing or school trips can be provided, the list of differences goes on. This results in inequality for children due to the variation in financial support available, with some not even receiving enough to maintain a minimum standard of living, let alone being provided with the conditions of living necessary to reach their full potential.

Fees

On top of this, foster carers are not being paid an adequate fee for the time and effort required to meet all of the needs of a child in their care. All foster carers get an allowance to cover the costs of fostering. But currently, there is no requirement for fee payments to be made to foster carers to recognise their time, skills and experience. As a result, a number of foster carers receive no payment and for those who do receive a payment the levels are very low.

Our State of the Nation report revealed that only 63% of foster carers receive a fee payment. The national living wage (NLW) for 2021/22 in the UK at this point was £8.91 per hour. If working a typical 40-hour week, this equated to £1544.40 per calendar month. Just 9% of foster carers reported receiving more than the NLW per calendar month.

Recommendations for the Department for Education:

- Significantly invest in the rates of fostering allowances to ensure they cover the full costs of caring for a child in foster care so they can thrive.
- Increase the upper age limit of the NMA to ensure that young people, while still living in a fostering household in post-18 arrangements, can access stability and support into adulthood.
- Regularly review the NMAs in line with annual inflation and other relevant factors.
- Expect all fostering services to adhere to nationally agreed allowances.
- Work with Ofsted to introduce systems to monitor compliance with the NMA, in line with current regulatory requirements, to ensure consistency for children, foster carers and potential future foster carers.
- Foster carers should, at the very least, receive regular fee payments in line with the NLW for a 40-hour week, which recognises their time, skills and expertise regardless of whether they are currently caring for a child. The amount foster carers should receive needs to be reviewed in conversation with foster carers. These should be separate to allowance rates.

Questions to the Minister:

- Given the cost of living crisis and Government's drive to improve the recruitment and retention of foster carers - will they raise the NMA to cover the full cost of caring for a child in line with The Fostering Network's recommended rates so that more foster carers don't leave?
- How will already over-stretched local authorities and services fund this NMA increase? Will the money be ring-fenced?
- How do they plan to monitor the NMA and ensure all local authorities are paying at least these rates, given we know 32% are paying under in one or more category?
- Will they look into raising the upper age limit for young people in post 18 arrangements given this Government's pledge to make this country the best it can be for care leavers?
- Will the Minister commit to reviewing fee payments for foster carers to ensure they all foster carers receive a fee and they are all adequately compensated for their time, skills and experience regardless of whether they are currently caring for a child?

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