



‘Our children deserve better’

Calling for a fairer funding framework for children and young people in foster care

About The Fostering Network

The Fostering Network is the UK’s leading fostering charity and membership organisation. We are the essential network for fostering, bringing together everyone who is involved in the lives of children and young people who are fostered. We support foster carers to transform children’s lives and we work with fostering services and the wider sector to develop and share best practice.

We work to ensure all children and young people in foster care experience stable family life and we are passionate about the difference foster care makes. We champion fostering and seek to create vital change so that foster care is the very best it can be.

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Introduction

All foster carers in the UK receive a weekly fostering allowance from their fostering service when they have a child in placement, which is designed to cover the cost of caring for a child in foster care. This includes food, clothes, toiletries, travel and all other expenses incurred and varies depending on the age of the child. Some foster carers also get a fee for their time, skills and experience. Fees are not covered in this report.

Each government of the UK sets national minimum or recommended allowances (henceforth referred to as NMA) for foster carers. This is a recent development as, after years of campaigning, the Scottish Government announced their Scottish Recommended Allowance for both foster carers and kinship carers in August 2023. The NMAs in each country vary depending on where the foster carer lives and by age of the child they are caring for, a full breakdown is available in Appendix A.

Each year we monitor the levels of allowances being paid by local authorities and trusts across the UK. This report summarises the findings of this work for the financial year 2023-24. The findings show that allowances vary greatly with some children in foster care in the UK receiving over £10,000 less than others per year. This means that the current system is creating disparity for children in foster care and that, sadly, some are not being provided with sufficient funding to achieve a minimum standard of living – let alone be provided with opportunities to recover from past trauma and achieve their best possible outcomes.

The Fostering Network is calling on governments across the UK to:

- 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 their NMAs in line with annual inflation and other relevant factors.
- Expect all fostering services to adhere to nationally agreed allowances.
- Work with regulatory bodies for fostering in each nation of the UK 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.

Methodology

In May 2023, The Fostering Network sent FOI requests to all local authorities¹ in England, Scotland and Wales that have fostering services. In Northern Ireland we wrote directly to the Department of Health to obtain figures from each trust. We asked the following questions about allowances:

- **For your mainstream foster carer population (general/unconnected carers) the basic weekly allowances paid for 2023/24 per age bracket for all age bands. NOT including any fee/reward element for foster carers.**
- **Please detail any other allowances paid for children living in mainstream foster care in addition to their weekly allowance, for example religious festival, holiday, birthday, other. Please detail the amount paid and the frequency foster carers can receive these.**

¹ Only public authorities are obliged to respond to FOI requests. We were therefore unable to survey the independent sector in the same way. We asked independent providers to share their rates with us via email but only received a small amount of responses.

- **For your kinship foster carer population (connected carers) the basic weekly allowances paid for 2023/24 per age bracket for all age bands. NOT including any fee/reward element for foster carers.**
- **Your 2023-24 weekly allowances for former foster carers looking after young people in [16/18+ arrangements – name of each scheme added in for each country], broken down by year 1, year 2, and year 3 if necessary.**

The question about kinship foster care was not asked of Scottish local authorities as kinship care sits outside of the fostering system in Scotland. Kinship carers in Scotland are entitled to the new Scottish Recommended Allowance, in line with foster carers.² We also asked questions about fees which will be the topic of a later report.

Key findings

- Allowances in England, Wales and Scotland vary considerably – with some children receiving up to £198.57 per week less than others which equates to £10,325.64 per year.
- Northern Ireland is the only nation where all trust foster carers (which includes all kinship carers) receive the same rate of allowances to cover the cost of caring for a child in foster care.
- There was the greatest level of variance in the 11-15 years age bracket for England and Wales and the 16-17 years age bracket in Scotland.
- Overall, England has the greatest variance in allowances, closely followed by Scotland.
- The additional allowances foster carers can claim on top of their weekly amount are inconsistent and complicated – some foster carers can claim over £950 a year to take a young person on holiday, while others have no holiday allowance.
- The absence of a NMA for post-18 arrangements has resulted in even greater variance. In England, for example, some young people receive up to £12,000 less financial support per year to remain living within a foster family.
- In addition, due to inconsistent local policies, some young people in post-18 arrangements are expected to contribute up to £140 per week while others do not have to contribute at all.

Full findings

The following findings cover 85 per cent of all local authorities and trusts with fostering services in the UK. A full breakdown of the responses received and included in the analysis of this report is below.

	England	Northern Ireland	Scotland	Wales
Response analysed	121	5	31	19
Response missing	24	0	0	3
Response excluded	3	0	1	0
Total	148	5	32	22

Reasons for missing responses:

- refusal – no other reason provided (N=6)

² Kinship carers who are currently in receipt of a kinship care allowance and any future kinship carers, as assessed by a local authority within Scotland, are entitled to the Scottish Recommended Allowance. In practice this would cover all looked after children being cared for by a kinship carer or a previously looked after child that is now subject to a Kinship Care Order (KCO).

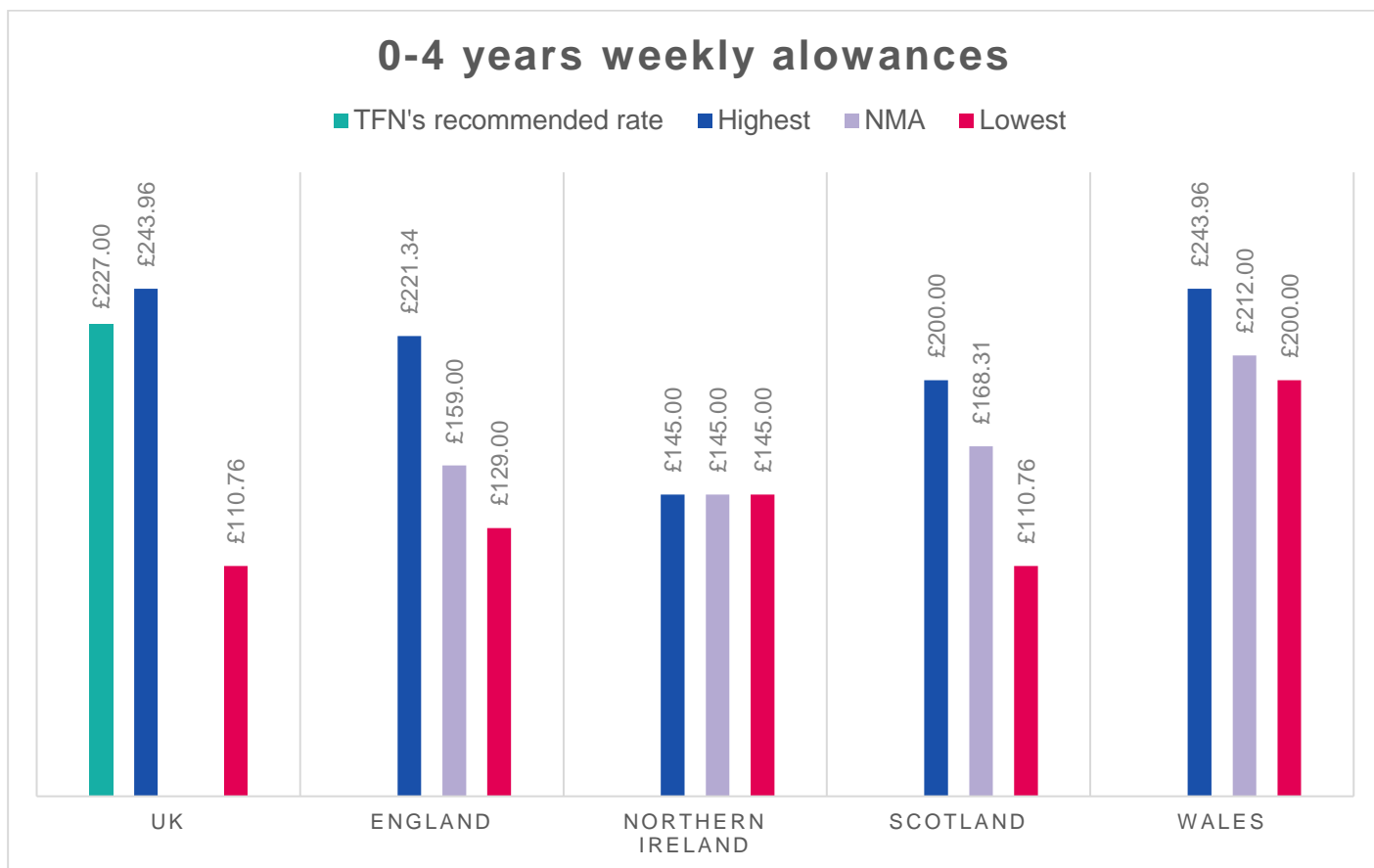
- refusal – currently reviewing allowances/payment structures where the final decision is awaiting approval (N=5)
- did not respond (N=13).

Reasons for excluded responses:

- when the allowance provided was combined with the fee payment (N=3).

The following graphs and tables compare the range of allowances paid by local authorities and trusts, the NMA in each country and The Fostering Network’s recommended rate by age group.

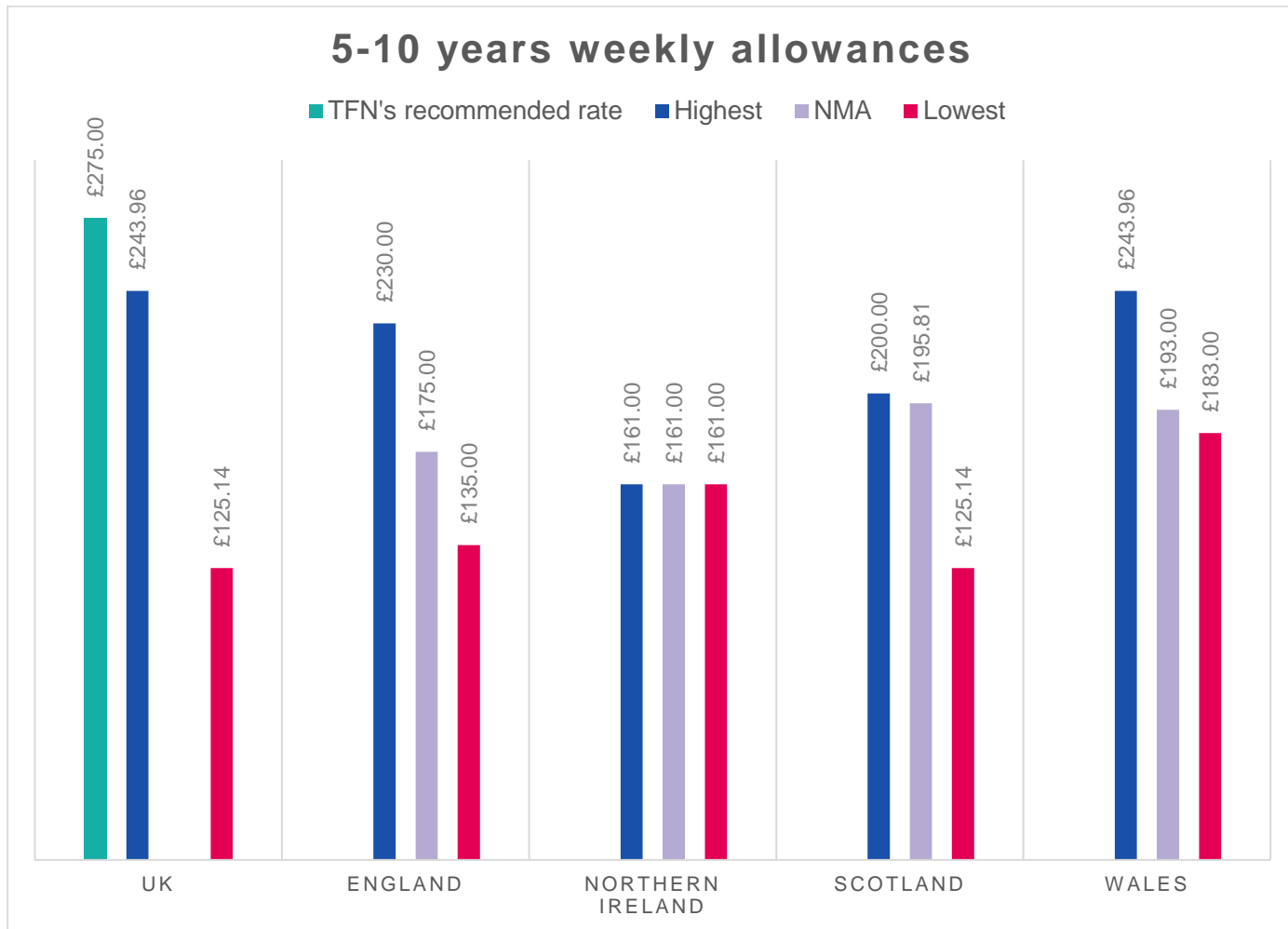
Allowances for 0 - 4-year-olds



	UK	England	Northern Ireland	Scotland	Wales
Max difference per child per week	£133.20	£92.34	£0	£89.24	£43.96
Max difference per child per year	£6,926.40	£4,801.68	£0	£4,640.48	£2,285.92

NB: For England we have compared against the ‘Rest of England’ national minimum for 3 – 4-year-olds. See Appendix A for a full breakdown of all the NMA rates across the UK.

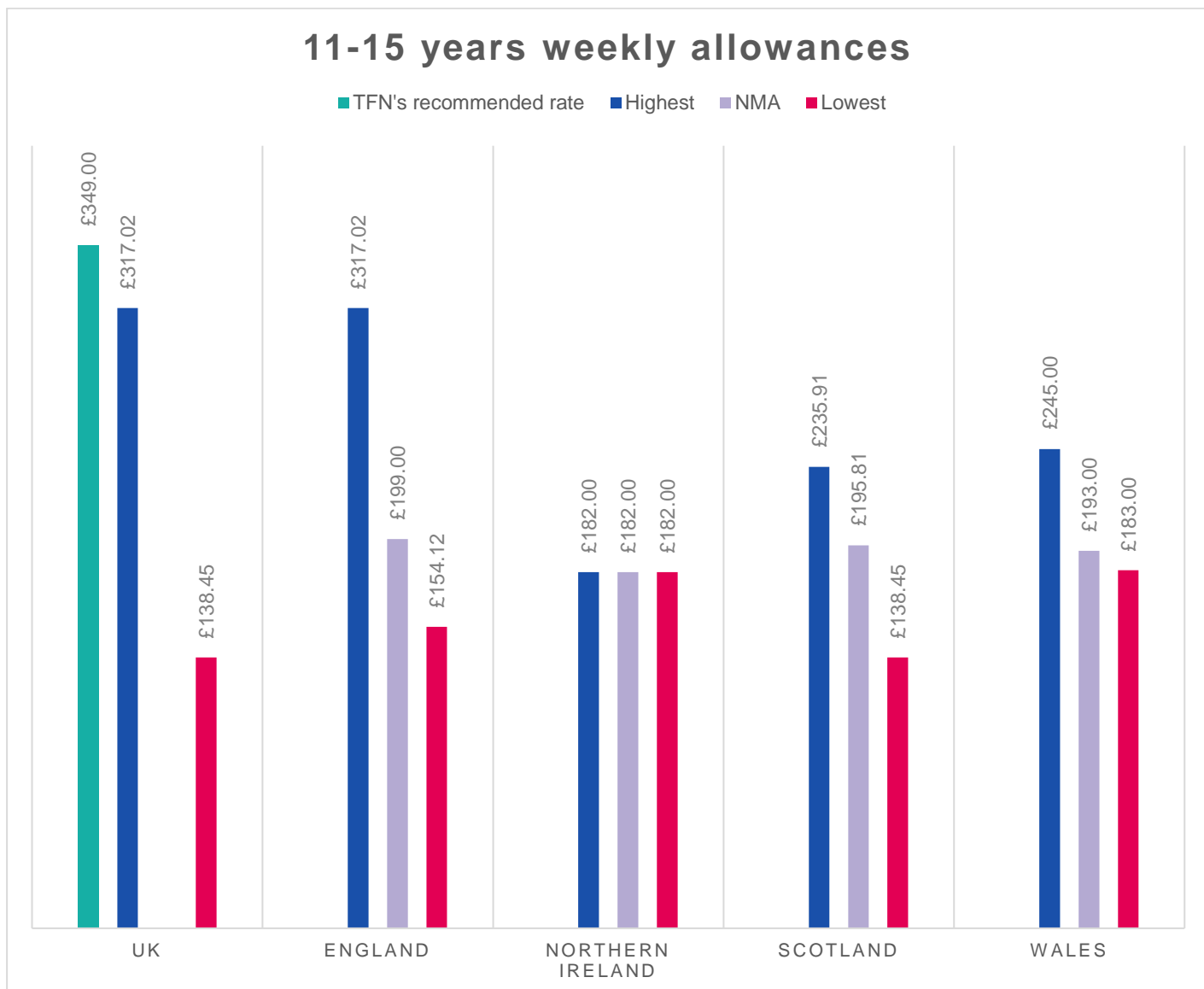
Allowances for 5-10-year-olds



	UK	England	Northern Ireland	Scotland	Wales
Max difference per child per week	£118.82	£95.00	£0	£74.86	£60.96
Max difference per child per year	£6,178.64	£4,940.00	£0	£3,892.72	£3,169.92

NB: For England we have compared against the 'Rest of England' national minimum. See Appendix A for a full breakdown of all the NMA rates across the UK.

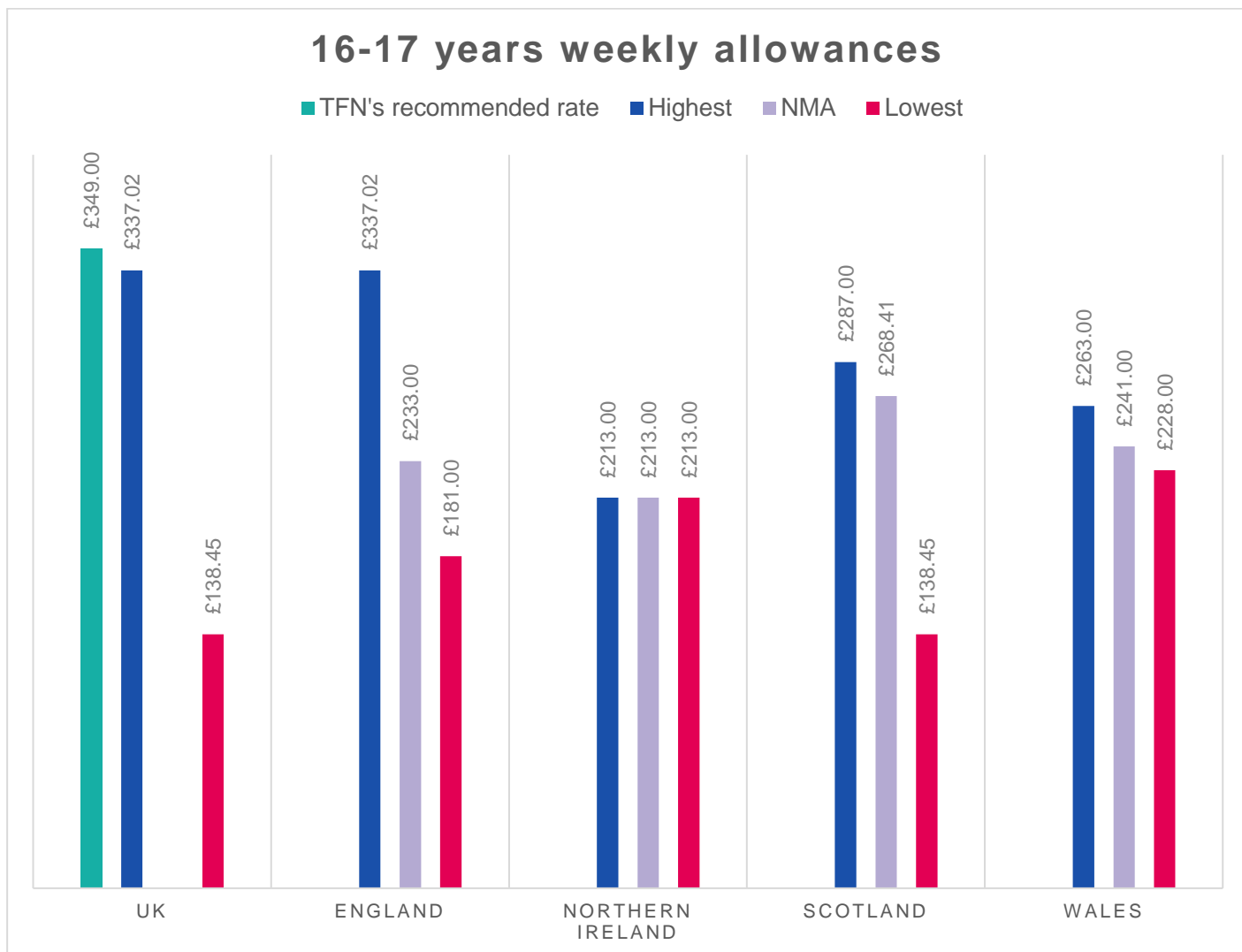
Allowances for 11-15-year-olds



	UK	England	Northern Ireland	Scotland	Wales
Max difference per child per week	£178.57	£162.90	£0	£97.46	£62.00
Max difference per child per year	£9285.64	£8,470.80	£0	£5,067.92	£3,224.00

NB: For England we have compared against the 'Rest of England' national minimum. See Appendix A for a full breakdown of all the NMA rates across the UK.

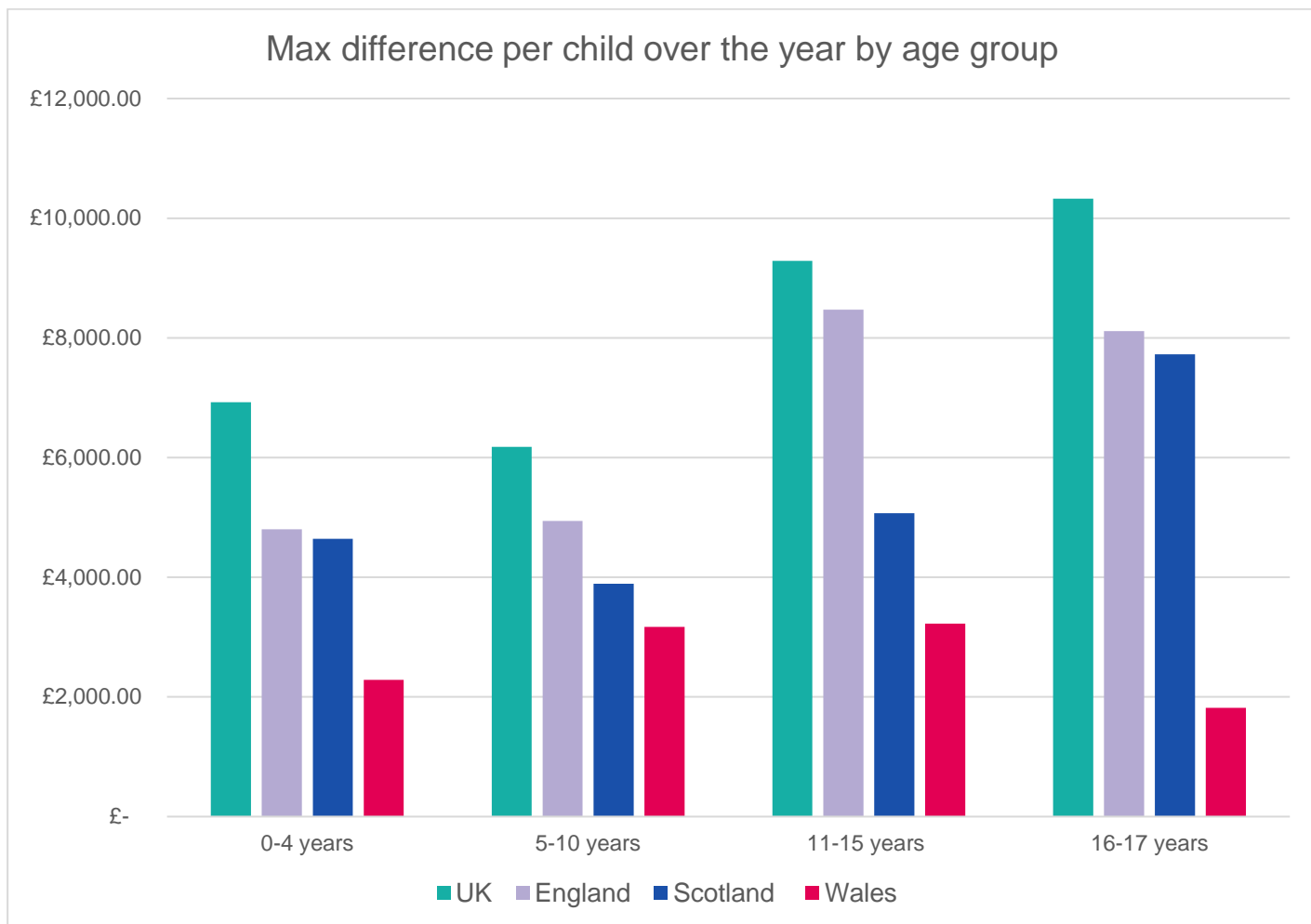
Allowances for 16-17-year-olds



	UK	England	Northern Ireland	Scotland	Wales
Max difference per child per week	£198.57	£156.02	£0	£148.55	£35.00
Max difference per child per year	£10,325.64	£8,113.04	£0	£7,724.60	£1,820.00

NB: For England we have compared against the 'Rest of England' national minimum. See Appendix A for a full breakdown of all the NMA rates across the UK.

Comparing the maximum difference in allowances per child per year



	0-4 years	5-10 years	11-15 years	16-17 years
UK	£6,926.40	£6,178.64	£9,285.64	£10,325.64
England	£4,801.68	£4,940.00	£8,470.80	£8,113.04
Scotland	£4,640.48	£3,892.72	£5,067.92	£7,724.60
Wales	£2,285.92	£3,169.92	£3,224.00	£1,820.00

Additional allowances

We asked local authorities about any additional allowances that were provided to foster carers. Where this was the case, additional amounts were provided for things such as holidays, religious festivals, birthdays, school uniforms, initial clothing and mileage.

In England, 123 local authorities responded about the additional allowances they provide:

- 118 provided additional amounts – these amounts varied by age, included additional weekly payments of the allowance at specific times of the year, or one-off payments at specific times that ranged from £20 at the start of the school year to £400 for a holiday.
- Five stated that everything is included within the weekly allowance.

In Northern Ireland:

- Additional allowances are paid automatically for:
 - holidays – three times the weekly rate paid in 13 equal amounts regularly to the foster carer
 - birthdays – half the weekly rate paid in the payment period prior to the birthday
 - Christmas – one and a half times the weekly rate paid in November
 - retainer fees – £36.11 up to a maximum of 12 weeks
 - disposable nappies.
- Foster carers can also apply for additional allowances for school activities, educational holidays, ‘setting up costs’ (when a child first enters care), tuition fees, cultural activities, glasses, mileage and personal items (e.g. a musical instrument).³

In Scotland, 31 local authorities responded about the additional allowances they provide:

- 27 provided additional amounts – the majority provided additional weekly payments of the allowance at specific times of the year and the remainder provided one-off payments at specific times ranging from £107 for religious festivals to £500 when a child first enters care.
- Four stated that everything is included within the weekly allowance.

In Wales, 18 local authorities responded about the additional allowances they provide:

- 15 provided additional amounts – some provided additional weekly payments of the allowance at specific times of the year and the remainder provided one-off payments at specific times that ranged from £100 for a birthday and £954.44 for a holiday.
- Three stated that everything is included within the weekly allowance.

Allowances for kinship foster carers

- 92 local authorities in England and 17 in Wales responded with the allowances they provide kinship foster carers – all stated they provide the same as mainstream/non-connected foster carers.
- All five trusts in Northern Ireland provide the same rate of allowances to all foster carers and kinship carers (all kinship carers are approved foster carers in Northern Ireland).

Allowances for post-18 arrangements

In each country of the UK, there are schemes in place that enable young people to remain living with their former foster carers until they are 21 (or older in certain circumstances). These arrangements empower young people to remain living in a family environment, allowing them longer to develop and prepare for independent living.⁴

No country in the UK has a post-18 NMA. Our State of the Nation 2021 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.⁵

Just under two-thirds (61 per cent) of local authorities or trusts responded to the question about post-18 allowances. A full breakdown of responses received and included in the following analysis is below.

³ Department of Health [Foster care allowances](#)

⁴ In England this scheme is called Staying Put; in Northern Ireland, Going the Extra Mile Scheme (GEMS); in Scotland, Continuing Care (which can be accessed when a child is 16); and in Wales, When I am Ready.

⁵ 3,352 foster carers responded to our State of the Nation 2021 survey. Of these, 21 per cent (N=704) had cared for a young person in a post-18 arrangement and of these, 74 per cent (N=521) experienced a drop in financial support.

	England	Northern Ireland	Scotland	Wales
Responses analysed	81	0	29	17
Response missing	47	5	1	4
Response excluded	20	0	2	1
Total	148	5	32	22

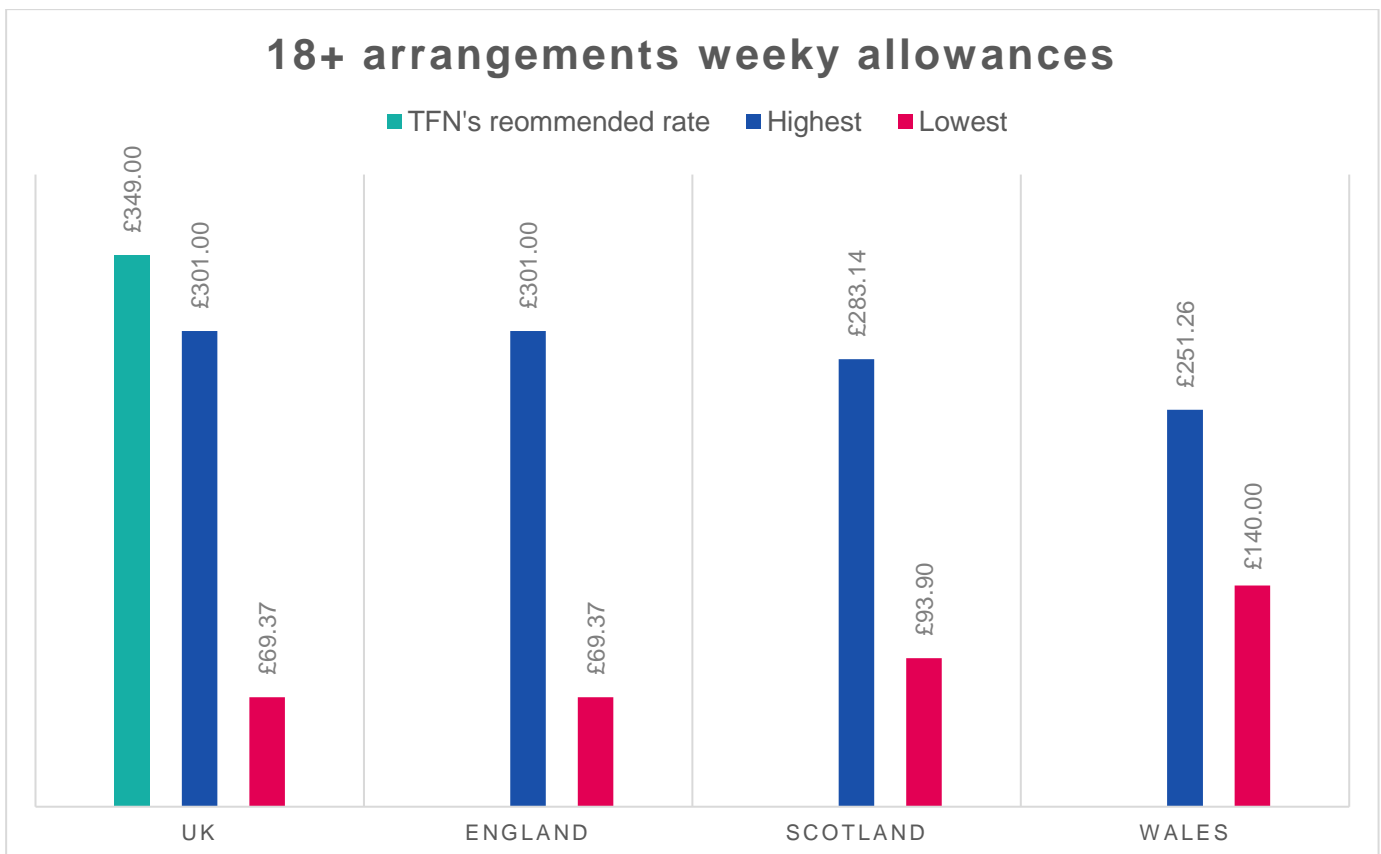
For England, of those missing, the reasons were refusal – no other reason provided, refusal – currently reviewing allowances/payment structures and the final decision is waiting approval, and did not respond. Of those excluded:

- nine provided an amount that combined the allowance and fee
- nine state that they do not provide an allowance and the young person is expected to cover their own costs
- two decide on a case-by-case basis how much allowance is provided.

For Northern Ireland, the Department of Health did not provide this information in time.

For Scotland, one response was missing because the local authority did not respond to the question. Of those excluded, one combined the allowance and fee, and one stated that they decide on a case-by-case basis how much allowance is provided.

For Wales, of those missing, the reasons were refusal – no other reason provided and did not respond. One response was excluded because they stated that no allowance was provided.



	UK	England	Scotland	Wales
Max difference per young person per week	£231.63	£231.63	£189.24	£111.26
Max difference per young person per year	£12,044.76	£12,044.76	£9,840.48	£5,785.52

Young people's contributions:

It was not always clear from the data whether the total allowance provided by services in response to our question included or excluded contributions from the young person. When contributions were expected from young people, this was usually through any housing benefit or universal credit they could claim, or the young person's salary.

- In England, 27 local authorities said the young person contributes ranging from £10-140 per week.
- In Scotland, one local authority said young people are expected to contribute 25 per cent of the allowance, equating to around £60 per week.
- In Wales, two local authorities said the young person contributes ranging from £15-20 per week.

The impact

What does this mean for children and young people in foster care?

For children and young people who are fostered, their foster families should be in receipt of an allowance designed to cover the full cost of their care. This is generally well accepted at local and central government level, however, this report shows that children's experiences of the application of allowances is far from consistent.

The large discrepancies between the levels of fostering allowances provided to foster carers to cover the costs of caring for a child or young person on behalf of the state are vast – over £10,000 per child per year difference. 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 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.⁶

By not having a sufficient allowance to cover all the costs of the child, this can increase a foster carer's stress levels, in turn affecting family relationships and dynamics. Increases in family income can boost children's educational achievements, and emotional and physical wellbeing.⁷

The impact that a more consistent and fully funded allowances system could have on children's wellbeing, rights, experiences and access to opportunities is considerable. Ultimately, it is the child's corporate parent (the local authority or trust) that is responsible for ensuring that the children

⁶ Article 27 of the United Nations Convention on the Rights of the Child states that "the parent(s) or others responsible for the child have the primary responsibility to secure, within their abilities and financial capacities, the conditions of living necessary for the child's development."

⁷ Child Poverty Action Group [The Effects of Poverty](#)

in their care have access to the resources and stable foundations they need to be able to grow into thriving adults. It is vital that our children are provided with the financial support they need to enjoy their childhoods, achieve their aspirations and their best possible outcomes.

What does this mean for young people in post-18 arrangements?

Despite widespread acceptance and government policies that state post-18 arrangements are in young people in foster care's best interests, inconsistent implementation has resulted in variability in local policy and practice. Some eligible care leavers face barriers to accessing the schemes and are therefore denied the opportunity to benefit from living in a family environment until they are ready to transition to independent living. We believe one of the key barriers to more young people entering the scheme is the lack of a NMA.

In post-18 arrangements, children's placing authorities are legally required to provide advice, assistance and support to the care leaver and their carer. However, due to there being no NMA for these arrangements and funding issues, former foster carers experience a reduction in financial support. In our State of the Nation 2021 survey, which received responses from over 3,300 foster carers:

- 14 per cent had cared for an eligible young person who had not remained with them in a post-18 arrangement. The second most common reason for this, after the young person wanting to move on, was that the foster carer could not afford to continue to care for the young person due to a drop in financial support.
- 21 per cent of foster carer respondents had supported a post-18 arrangement. Of these, 74 per cent said they experienced a drop in income as a result and 29 per cent received no extra training or support to help manage the arrangement.

Some young people in post-18 arrangements are expected to contribute to cover the allowance either through their own wages or claiming benefits. This results in foster carers becoming landlords, which can change their relationship with the young person. It is also another way whereby care leavers are treated differently to their peers, many of whom won't have to pay rent, which can lead to feelings of stigmatisation. If a young care leaver in a post-18 arrangement has employment, this should not reduce the financial support they receive from their local authority. Furthermore, young care leavers should not be expected to claim benefits to cover the cost of their arrangements – this is further stigmatising, can cause conflict with the foster carer and is not an aspirational approach for our young people.

Due to children in foster care's early experiences, their developmental age can be different to their chronological age meaning they may require support for longer than their peers. It also makes them more likely to experience problems in later life such as poor mental or physical health, homelessness or involvement in the criminal justice system. This can have a wider social impact and lead to higher costs to the public purse. Supporting young people with care experience within a family environment until they are ready to transition to independence would be a long-term cost saving for society.⁸

As one fostering service respondent in our State of the Nation 2021 survey put it: 'Young people's needs do not stop just because they are 18 and carers should be able to continue and receive the same pay.'

⁸ Independent Review of Children's Social Care (2022) [Recommendation Annexes: Additional detail on review recommendations](#) p135

What does this mean for foster carers?

Good foster care allows children to grow up in a nurturing family environment and to stay within their local community so they can remain connected with everything that is important to them – their family and friends, school and other activities, where it is safe to do so. However, recruiting and retaining sufficient numbers of committed foster carers with the skills, capacity and support to provide children with loving family homes in which they can thrive in their local community is a continual challenge for fostering services across the UK.

Recent evidence from The Fostering Network and Centre for Evidence and Implementation's (CEI) report into the [retention and recruitment of foster carers](#) found a statistically significant link between having an insufficient allowance and having a less positive experience of fostering and thus, being less likely to recommend fostering to others. This strongly suggests that insufficient allowances are having a detrimental effect on both the retention and recruitment of foster carers. We estimate that a further 7,200 foster families are needed across the UK in the next 12 months alone to ensure all children in foster care can live with the right family for them.⁹

Through interviews and focus groups, the research also found that payments to foster carers were often very delayed (in some cases by months), that foster carers received incorrect payments and that there was no way of knowing what payments covered the allowance, fee or other expenses. This means foster carers were unable to see how much they had been compensated. Several participants reported being overpaid by several thousand pounds without knowing due to the lack of paperwork, and that local authorities then demanded repayment with very little notice. Foster carers said that the financial aspects of fostering did not feel professional, which was frustrating and demotivating and took time and effort away from their caring role.

In our 2021 State of the Nation survey, over a third of foster carers said that their allowances do not meet the full cost of looking after a child. This demonstrates that the existing policy is not delivering its original intent of covering the cost of caring for a child in foster care.

Many foster carers dip into their own pockets to cover the costs of caring. Foster carers have been facing this unacceptable situation for years, well before the current cost-of-living crisis which is adding further strain on households.

The solution

We are proposing a fairer funding framework for fostering that is both consistent and simple. The framework is underpinned by six key principles, developed in consultation with the fostering sector and informed by previous work in Wales and Scotland. The principles are:

1. **Child centred** – Decisions relating to finance should be made with the best interest of children as the primary factor. In the development of this work we held in mind the question, 'what would we want if this were our child?'
2. **Efficient** – Paperwork, such as claim forms, collating and providing receipts should be kept to a minimum. This is not the best use of foster carers' or staff time.
3. **Trusting** – Vulnerable children are entrusted to the care of foster carers every day. We must implement systems which reflect trust in them to make the best use of funds provided on a day-to-day basis.

⁹ The Fostering Network [Recruitment Targets](#)

4. **Sufficient** – Foster carers should never be out of pocket for the task that the state has asked them to undertake on behalf of society. Ensuring financial stability is a key component and a basic need for all children.
5. **Aspirational** – Organisations charged with the responsibility for raising children looked after should provide the components for these children to thrive and exceed their expectations. The funding should be allocated to realise this aspiration.
6. **Consistent** – Where a foster carer lives, who they foster with, their relationship to the child, or the nature of their foster care approval should not impact on the funds they receive to raise a child in care.

Guided by the above principles, we have calculated what we consider to be acceptable levels of allowances for foster carers to look after the children in their care. Using Loughborough University's [Minimum Income Standard for the United Kingdom](#) which produces budgets for different household types, based on what members of the public think you need for a minimum acceptable standard of living in the UK; and Nina Oldfield's '[The Adequacy of Foster Care Allowances](#)' which identifies the additional costs of caring for a child in foster care, we have calculated that in this financial year (2023/4) it costs:

- **£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.**

The Fostering Network's suggested rates of foster care allowances include funds to enable foster families to save for birthdays, holidays and cultural or religious festival payments with the intention that foster carers can control and spend these additional funds as they see fit. They are designed to cover the full costs of caring for a child. They should be regularly reviewed in line with annual inflation and other relevant factors.

What we want to see changed

Against the backdrop of recruitment and retention pressures in foster care and an unprecedented wider cost of living crisis, it is vitally important that foster care is appropriately funded and the allowance is at the right level to cover the full costs of caring for a child. Foster carers are holding up the weight of the care system but often without the resources and support necessary to allow them to fulfil their role. The continued failure to provide an allowance at the right level to meet the full costs of caring for a child means foster carers may have to subsidise the cost of care and children in foster care may not be able to access the opportunities they require to recover from any past trauma and achieve their best possible outcomes.

We are calling on all governments across the UK to:

- Fund foster care by reviewing the levels of foster care allowances, using up to date evidence, to ensure they cover the full costs of looking after a child in foster care so they can thrive.
- Introduce a NMA for post-18 arrangements.
- Regularly review the NMA in line with annual inflation and other relevant factors.
- Expect all fostering services to pay at least the NMA and for compliance to be monitored in line with current regulatory requirements.

We will be sharing the findings of this report with decision-makers and urging them to raise foster care allowances so all children in foster care are provided with the financial support they need to

have stable foundations, enjoy their childhoods and achieve their aspirations and best possible outcomes.

Contact details: campaigns@fostering.net

September 2023

Appendix A

National minimum or recommended allowances 2023/34

	0-4 years	5-10 years	11-15 years	16-17 years
London	£179-182	£203	£232	£270
South East England	£171-177	£195	£223	£260
Rest of England	£154-159	£175	£199	£233
Northern Ireland	£145	£161	£182	£213
Scotland	£168.31	£195.81	£195.81	£268.41
Wales	£212	£193	£193	£241

For further details, visit [our website](#).