



**The Fostering Network's survey of local authorities:  
Foster care allowances in England  
August 2006**

Introduction

The Fostering Network undertakes an annual survey of the allowances fostering services give to their foster carers. This allows us to monitor the levels of allowances and identify the numbers of fostering services who are paying allowances that are lower than the Fostering Network's recommended minimum allowances.

This year's survey was conducted with the support of the ADSS with the additional intention of identifying the cost to local authorities of implementing the Government's proposed minimum allowance.

The survey of local authorities found that they need to spend a further £33.4 million each year to provide all foster carers with the Fostering Network's recommended minimum allowances. These recommended allowances are derived from the Family Expenditure Survey carried out by government on an annual basis, and additional work carried out by Fostering Network to include the costs specific to carrying out the task of fostering. They are widely regarded as the benchmark for allowances across the UK.

The current annual expenditure on fostering allowances by local authorities in England is £350.3 million therefore requiring an increase of 10 per cent.

The numbers of children in foster care have continued to grow over the last decade and on any one day there are around 41,700 children looked after by foster carers in 37,000.

We received responses from all 150 English local authorities. They gave details of the allowances they currently pay foster carers.

### Comparison with the Fostering Network's recommended minimum allowances

Out of 150 local authorities, 95 are largely paying the Fostering Network's recommended minimum rate and 55 are paying below.

The Fostering Network's recommended minimum weekly allowances 2006-07

Outside London

Age of child	Allowance
0-4	£114.87
5-10	£130.85
11-15	£162.89
16+	£198.11

London

Age of child	Allowance
0-4	£134.81
5-10	£153.69
11-15	£191.38
16+	£232.42

### Current expenditure on fostering allowances

Allowances	Current spend per week	Current spend per year
London	£1,901,211.35	£98,862,990.20
Outside London	£4,835,671.75	£251,454,931.00
Total	£6,736,883.10	£350,317,921.20

The current annual expenditure on fostering allowances by local authorities is £350,317,921.20. The survey showed that an extra £33,403,705.40 (10 per cent increase) of investment is needed each year to bring allowances in England up to the Fostering Network's recommended minimum allowance.

The table below shows the weekly and yearly costs of increasing the allowances to the Fostering Network's recommended minimum rates.

Fostering allowances	Extra investment needed each week	Extra investment needed each year
London	£44,644.10	£2,321,493.20
Outside London	£597,734.85	£31,082,212.20
Total	£642,378.95	£33,403,705.40

## DfES national minimum allowances

We also looked at the extra investment needed if all allowances were brought up to the national minimum rates in England as announced by the DfES in July. From April 2007 these represent the minimum allowance any foster carer should receive for their fostered child or young person to cover the costs of fostering. It must be noted that these rates exclude a number of significant costs including housing, cost of a larger car, holidays and birthdays. Local authorities would need to pay an increased amount to foster carers to cover these costs.

### DfES national minimum allowances 2007-08

	Babies	Pre-Primary	Primary	Secondary (11-15)	Secondary (16-17)
Base (£)	100	102	113	129	151
South East (£)	111	114	127	144	169
London (£)	116	119	132	150	176

Of the 150 local authorities, the survey found that 113 are largely paying the DfES's national minimum allowance and 37 are paying below.

The survey showed that an extra £12.1 million<sup>1</sup> of investment is needed to bring fostering allowances up to the DfES's national minimum rate. This represents an increase of three per cent on current spending.

Fostering allowances	Extra investment needed each week	Extra investment needed each year
London	£10,938.40	£568,796.80
South East	£7,157.55	£372,192.60
Outside London	£214,104.45	£11,133,431.40
Total	£232,200.40	£12,074,420.80

## Conclusion

The Fostering Network will continue to call on the Government and local authorities to ensure that the allowances foster carers receive must cover the full costs of fostering. Local authorities intending to set their allowance at the DfES recommended minimum allowance should note that this does not include any funding for housing and that an additional housing element should be added to the allowance.

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<sup>1</sup> The survey of local authorities did not distinguish between babies and pre-primary. Therefore, the figure of £12.1million was calculated on the basis that the allowance for a 0-4 year old was £102.