



## The Fostering Network's survey of local authorities: foster care allowances in Scotland August 2006

### Introduction

The Fostering Network with the support of the ADSW and COSLA surveyed local authorities in Scotland to find out about the extra investment needed to implement the Fostering Network's recommended minimum fostering allowance.

The issue of a National scheme of allowances is part of the Adoption and Children (Scotland) Bill currently going through Parliament.

The survey of local authorities found that they need a further **£5.5 million** each year to provide all foster carers with the Fostering Network's recommended minimum allowances. This figure is 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. It is widely regarded as the benchmark for allowances across the UK.

The current annual expenditure on fostering allowances by local authorities in Scotland is **£21.3 million** therefore requiring an increase of 26 per cent.

The numbers of children in foster care have continued to grow over the last decade and on any one day there are over 3500 children looked after by foster carers in Scotland

By comparison the annual cost of providing secure care for on average 87 children is **£16.6m.**

We received responses from all 32 Scottish local authorities. They gave details of the number of children in foster care and the allowances they currently pay foster carers. Some local authorities link adoption allowances and/or residence order allowances to the fostering allowance. Increasing the fostering allowance will have a knock on effect; in these instances we asked fostering services to provide us with details of residence order allowances and adoption allowances

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

Out of 32 local authorities, 11 are paying the Fostering Network's recommended minimum rate or above and 21 are paying below.

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

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

Current expenditure on fostering allowances

	Current spend per week	Current spend per year
Allowances	£409,525.64	£21,295,333.28

The current annual expenditure on fostering allowances by local authorities is £21,295,333.28. The survey showed that an extra £5,487,061.84 (26 per cent increase) of investment is needed each year to bring allowances in Scotland up to the Fostering Network's recommended minimum allowance. If adoption allowances and residence order allowances are included, this brings the total up to £7,226,491.82.

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

	Extra investment needed each week	Extra investment needed each year
Fostering allowances	£105,520.42	£5,487,061.84
Adoption allowances	-	£1,493,024.87
Residence order allowances	-	£246,405.11
Total	-	£7,226,491.82

### **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

Of the 32 local authorities, the survey found that 12 local authorities pay above the DfES's national minimum allowances, and 19 pay below.

The survey showed that an extra £2.3 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 11 per cent on current spending.

	Extra investment needed each week	Extra investment needed each year
Fostering allowances	£45,163.29	£2,348,491.08

### **Conclusion**

Foster carers in two-thirds of local authorities are being left out of pocket by the current system of fostering allowances. These foster carers receive an amount below the Fostering Network's recommended minimum rates suggesting that they are having to contribute to the cost of looking after a fostered child from their own pockets. It is an unsustainable situation particularly with the current drastic shortage of foster carers across Scotland.

The Fostering Network calls on the Scottish Executive to invest an extra £5.5 million to cover the shortfall in funding to ensure that foster carers receive the full costs of looking after a fostered child. Failure to do so will mean that either Local Authorities will still require to "top-up" the allowances in order to meet the real costs, or that carers will remain out of pocket which will act as a disincentive to badly needed new foster carers.

In research conducted in 2004/05 on behalf of the Scottish Executive 54% of carers felt that the allowances they received did not cover all the costs of looking after the children in their care.

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<sup>1</sup> The survey of local authorities did not distinguish between babies and pre-primary. Therefore, the figure of £2.3million was calculated on the basis that the allowance for a 0-4 year old was £102.

This figure does not include the costs of increases in residence order allowances and adoption allowances, which we were unable to work out from the data available.