



The Fostering Network & British Association for Adoption and Fostering

The Children Bill Briefing on National Minimum Allowances

The amendment calls for national minimum allowances to be set for the maintenance of children placed with local authority foster carers. This would put an end to a system which allows for vastly different allowances for foster carers depending on where they live, and which relies on foster carers who are, for the most part, not remunerated for their services, to subsidise the cost of caring for children whom they are fostering.

Fostering Allowances and Payments of Fees

Allowances are paid to carers to reimburse them for the cost of a fostered child's keep; they do not contain any element to recognise abilities, skills and training.

Each local authority fostering service and independent fostering provider is free to set its own allowances. As a result of the Care Standards Act 2000, national minimum standards for fostering services are in place. They state that foster carers should receive allowances that cover the full costs of caring for a fostered child. However, at present, despite these standards, the regulatory body, the Commission for Social Care Inspection (CSCI), does not *require* fostering agencies to pay a specified level of allowances in order to maintain their registration.

(N.B. It is true that some foster carers do receive some payment for the work that they do. This is in addition to allowances. A survey conducted by the Fostering Network however, shows that only 50% of foster carers receive any form of payment; 20 % of these receive less than £100 per week for fostering. Some in this low income group are paid as little as £20 per week. Fewer than one in 10 receive an amount which would reflect the minimum wage for even 40 hours per week).

What are Fostering Network's Recommended Minimum Allowances?

The Fostering Network has calculated minimum allowances and these are widely recognised as the benchmark for expenses incurred as a result of fostering. The work on allowances dates back to 1988 and the allowances are made up from the direct costs of caring for a child (taken from the Expenditure and Food Survey), plus a further amount to take account of additional costs of fostering. Currently the allowances start at around £108 per week. BAAF and the Fostering Network recommend these rates as setting a realistic minimum benchmark.

The minimum recommended allowances were used by the Department of Health and the Inland Revenue in order to calculate tax arrangements which were introduced in the tax year 2003 – 04. In lieu of the necessary expenditure to produce a large, in depth study to establish the additional costs of fostering, the recommended minimum allowances are the best available guide to compensating carers for the upkeep of the child.

Postcode Lottery and Results of Other Surveys

Currently there are huge variations across England in the allowances paid to cover the costs of looking after a fostered child.

The Fostering Network publishes an annual survey of the allowances paid in fostering services across the UK. The 2004/05 survey of local authorities in England showed that 52 per cent gave less than the recommended minimum rates with some foster carers receiving as little as £50 a week.

Percentage of local authorities paying below minimum allowance (2004/05)

England	52
London	19
North East	88
Yorks and Humberside	70
North West	56
West Midlands	44
East Midlands	100
Eastern	44
South East	6
South West	66

This evidence is backed up by the inspection reports from the Commission for Social Care Inspection, which also shows that there is wide variation in allowances paid by local authorities. This variation bears little relation to the different costs of living across the country, allowances in neighbouring authorities can differ by as much as £100 per child per week.

It is useful to consider the results of other studies of the cost of caring for a child. This month a survey from Woolworth gained considerable publicity: it found that from birth to university, parents spend about £164,000 feeding, clothing and educating a child. This is consistent with the findings of a comprehensive survey published in 2003 (based on figures from the Centre for Economics and Business Research and drawing on information from the Government's expenditure and food survey 2001-02, Mothercare, the Child Poverty Action Group, the Daycare Trust and other indices.) which found that a child in a typical household where the father is in full-time work and the mother works part-time costs £6,686 a year, or £129 a week. This figure included necessities such as food, clothing and childcare and some "luxuries" including toys and an annual holiday, but excluded the cost of a family home or car, and earnings lost during maternity leave.

Effect of Inadequate Allowances

The Fostering Network surveyed over 1,100 foster carers asking them about the adequacy of their allowances. Only 34% of carers stated that their allowances were adequate (57% said they were inadequate). Some of those who stated their allowances were adequate stated also that they had to buy clothes from jumble sales, or could not afford to take the child out as they would wish to do with their own birth children. Additional activities are often necessary to help children repair a damaged sense of self-esteem and restore the enjoyment of an ordinary childhood. Thousands of foster carers are being left out of pocket as a result of fostering and children are experiencing different standards of living depending on where they are fostered.

BAAF has reviewed inspection reports by CSCI and notes as an example one report written in 2003 where the Inspectors said, "The majority of carers also provided examples where the allowances for the young people placed do not cover actual expenditure. Several take family holidays abroad. Older teenagers often have to pay adult prices and price increases during school holidays is always significant. Young people also wanted named clothes like their peers. Similar feedback from young people reflected the need to seriously consider increasing the current allowances". A practice recommendation in the Inspection Report said, "The Department should give serious consideration to increasing ...allowances to young people". What was the result? From April 2004 foster carers in this authority are paid a minimum allowance ranging from only £56 per week for a child aged 0-7 to £72 for a child aged 13-15. The Fostering Network recommended rates are £108 and £154.

Effect on Placement Choice

A recent survey by the Fostering Network found that there is a shortage of 10,000 foster carers in the UK. The impact of a lack of choice of carers for children means that children are subjected to repeated moves, placements too distant from their families and community and to more expensive unplanned emergency placements often provided by an independent provider. Too often they are then moved to a cheaper placement with a local authority foster carer when a place becomes available, and where local authority foster carers are paid the lower rates; this means yet another disruption for children already fragile because of the disruptions they have experienced in their short lives. We know that every move a child makes has a significant impact on their ability to form future attachments, to make friends and to do well at school. It also makes it more likely that subsequent placements will disrupt, leading to a need for more expensive therapeutic provision and to disillusioned foster carers, who may then leave the service.

Government statistics show that more than one in four looked after children have to live outside their local authority's borders and this often means moving schools and living miles away from siblings, family and friends. Furthermore, across England one in seven children have to live in three or more homes during the course of a year and in some areas the figure is over 40% of children.

Conclusion

We now have a national minimum wage, we are committed to eradicating child poverty, we are determined in the UK to improve the life chances of our most disadvantaged children, the children most at risk of social exclusion for the rest of their lives. This amendment would ensure that all foster carers receive a minimum level of allowances for the maintenance of children in their care, improve recruitment of carers and, importantly, improve retention. It is a sad fact that too many people simply cannot afford to foster. This cannot be the foundation on which to build a better future for our children.

BAAF and Fostering Network urge you to pass this amendment.

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