

National minimum fostering allowances

Consultation Response

Please contact

Andrea Warman
Foster Care Development Consultant
andrea.warman@baaf.org.uk
0207 421 2640

John Simmonds
Director of Policy, Research and Development

20th April 2006



**National minimum fostering allowances – Consultation Response
British Association for Adoption and Fostering**

The British Association for Adoption and Fostering (BAAF) is the leading charity and membership organisation in fostering and adoption in the UK, we:

- promote the highest standards of child-centred policies and services
- speak out on behalf of looked after children
- influence UK-wide policy and legislation
- provide much-needed information and advice
- promote greater public understanding of adoption and fostering
- support our members in their work

BAAF's main activities are the development, promotion and advocacy of best policy and practice; the provision of advice and information to our members and to the general public; training, consultancy and seminars; child placement services including the publication of our flagship monthly newspaper, *Be My Parent*. We also publish a quarterly professional journal, *Adoption and Fostering*, books and guides for professionals, academics, parents and carers and research studies. The main users of our services are our members comprising local authorities across England, Scotland and Wales, voluntary adoption agencies, independent fostering agencies and also individual social work, legal and medical professionals and carers. We very recently opened an office in Northern Ireland, and are currently developing our service there.

National minimum fostering allowances – Consultation Response

British Association for Adoption and Fostering

Introduction

This consultation on ***National Minimum Allowances*** for foster carers is clearly related to the ***Every Child Matters*** and ***Children's Workforce Strategy*** consultations. BAAF responded to both of the earlier consultations, and this response should be read in that context.

BAAF campaigned for a National Minimum Allowance for foster carers, and so we welcome this initiative as well as the opportunity to be consulted about setting the level of this allowance. However, we do have some serious concerns about the levels of allowance proposed in the consultation document, and particularly the use of the ***Small Fortunes*** study as a baseline for assessing the costs of caring for foster children.

Setting the level of the Allowance

1. Should the national minimum allowance be based on actual expenditure?

While we do agree that the national minimum allowance should be based on actual expenditure, and recognise that there is currently very little published evidence about the costs of bringing up children, we do have serious concerns about the proposed use of the *Small Fortunes* data as a baseline for calculating these costs for fostered children.

2. Does the proposed methodology capture the key categories of expenditure involved in caring for a fostered child?

Again, the open acknowledgement of the use of data from a particular study (*Small Fortunes*) to calculate the proposed level of allowances is welcome, but this particular study is based on evidence from a broader group of families, and as a result there are serious omissions in the categories of expenditure on foster children.

First, and most importantly, the *Small Fortunes* study did not include **housing costs**, and yet for foster carers these costs are particularly relevant. Our consultations with service providers and directly with carers clearly illustrate how the need for extra space, especially bedrooms, can be very expensive and add significant costs to caring for these particular children and young people. Agencies also believe that a major issue in recruiting foster carers is finding families who have appropriate accommodation, and that this is a very serious problem in London and the South East of England.

Second, this study did not include **heating costs** and for foster carers these can be high, especially if they are looking after children who are at home during the day.

Third, **transport costs** are not included, but foster carers are expected to ensure that the children they look after are able to enjoy the same

National minimum fostering allowances – Consultation Response British Association for Adoption and Fostering

opportunities as their peers by taking them to after-school as well as other social events. In addition, many carers have extra responsibilities; accompanying children to contact meetings with their families or taking them to therapy sessions and this adds to fuel costs as well as 'wear and tear' on their vehicle.

However, as well as highlighting the need to take into account these additional costs for foster carers, BAAF believes that there are further significant problems with the proposed methodology which are related to the use of the *Small Fortunes* data.

First, the *Small Fortunes* evidence comes from a survey of just over a thousand parents in 1995. This means that the data are now over 10 years old. The consultation does propose adjusting the figures to reflect an increase in the average income during this period, but that adjustment alone would not take into account how our ideas about what is a 'normal' or 'acceptable' standard of living for families has also changed over this period of time. For example, few of the children in the study had access to a computer, and the costs of buying or running this equipment are not included in the calculations of the costs of looking after children. But now most schools would assume, and even expect, that children have a computer at home and many homework assignments now involve computer research. BAAF believes that children living with foster carers should have the same opportunities as their peers, and that educational outcomes for these children will not improve unless they do. It is therefore very important that the national minimum allowance is based on a calculation of the **current** costs of bringing up children, and **current** assumptions about children's needs.

And, the sample of parents who took part in the *Small Fortunes* study included parents with very low incomes, as well as lone parents who were living on benefits – families living below the official poverty line. The study's calculation of average spending on children is therefore lower than would be expected if all of the families who took part had a reasonable standard of living. In fact, one of the most striking conclusions of the study was that many parents (especially lone mothers on income support) were making 'sacrifices' (for example, not buying shoes or clothes for themselves, or in some cases even missing meals) in order to make sure that their children experienced what they believed to be an 'acceptable' standard of living.

'Raising children is an expensive business for all families and many parents make significant sacrifices to try to provide their children with acceptable lifestyles'

(Small Fortunes: spending on children, childhood poverty and parental sacrifice: p72)

BAAF therefore believes that using figures from this study as a baseline for calculating the national minimum allowance is problematic because it seriously under-estimates the costs of providing an 'acceptable' standard of

National minimum fostering allowances – Consultation Response British Association for Adoption and Fostering

living for children in foster care, and even suggests that carers might be expected to meet the shortfall themselves.

While acknowledging that there is currently little research about the costs of looking after children, we believe that in setting the level of the allowance the government should take evidence from experienced carers about the actual costs of fostering children, and ensure that this group of children and young people are able to experience an 'acceptable' standard of living.

3. Should the allowance include an element to compensate for the fact that fostered children are less likely to have money spent on them by grandparents or family friends?

The *Small Fortunes* study found that most parents receive significant financial help from their own parents, other members of the extended family and family friends. In fact, the authors concluded that around 10% of average spending on children comes from this source.

This does again highlight the difficulty of using data from a broader sample of families to calculate the level of the national minimum allowance for foster carers. The authors of *Small Fortunes* argued that this help was particularly necessary at Christmas time or when children had birthdays, but that for some parents on low incomes this source of support was extremely important throughout the year.

Foster carers are far less likely to receive this kind of financial support from their own families or from the children's birth families. This means that the proposed figures for the level of the allowance would need to be adjusted to reflect this. However, preferably more thought should be given to how to set the level of the allowance as described above.

4. Do you agree that it is reasonable to increase the costs of caring for a non-fostered child by 50% to take into account the extra costs associated with fostering children?

The consultation proposes adding a 50% increase to the *Small Fortunes* data to reflect the extra costs associated with looking after children in foster care. BAAF does welcome this recognition that children in foster care may need to 'catch up' (by having swimming lessons, extra tuition) and that there may be additional costs associated with some children who have particular emotional or behavioural difficulties. However, again we believe that even this adjustment would not overcome the problem of using the *Small Fortunes* data as a baseline.

National minimum fostering allowances – Consultation Response British Association for Adoption and Fostering

For example, this study did take 'education' costs into account, but these did not include the costs of school meals, school visits, travel to school or any private tuition. In fact, the authors found that parents were making a significant contribution to the costs of their children's education; school was not 'free'. Furthermore, the calculations of spending were based on evidence from a short, fixed period of time. As a result, the authors themselves acknowledge under-estimating the costs of buying clothing for children, not least because the evidence was collected in February when parents would be less likely to replace expensive school shoes and uniform.

We know from our consultations with foster carers that education and clothing represent major sources of spending on children in their care. They felt that the suggested 50% adjustment would not cover these expenses and nor would it fully recognise the additional 'wear and tear' on their homes, cars and household appliances, especially washing machines, that they experience. Again, BAAF believes that the level of the national minimum allowance needs to take these particular circumstances into account.

5. Do you agree that the estimate of costs should be linked with average income, as a means of uprating the allowance each year?

We do have serious concerns about using the *Small Fortunes* 1995 data and agree that uprating of the figures is needed. However, BAAF believes that adjusting the level of the allowance should also take into account changes in the cost of living, as well as reflecting changing ideas about 'reasonable' standards of living and children's needs.

Variations

6. & 7. Is there evidence to support regional variation in the national minimum allowance? And where should rates be higher?

If housing costs were taken into account when setting the level of the national minimum allowance (as BAAF believes they should be) then there is clear evidence to support regional variation, and especially higher rates of allowance in London and the South East.

8. 9. & 10 Should allowances vary according to the age of the child? Should the proposed age bands be used? And is there evidence to support a higher allowance for 16-17 year olds?

BAAF believes that using evidence about the actual costs of fostering children (rather than relying on the *Small Fortunes* data) would provide more meaningful information about the varying costs of these particular children according to age. However, we do believe that children and young people in foster care should have access to the same opportunities and experiences

National minimum fostering allowances – Consultation Response British Association for Adoption and Fostering

available to their peers, and so 16-17 year olds who are likely to have extra expenses should receive a higher allowance.. The additional possible benefits - promoting independence and encouraging these young people to continue their education - would be welcome.

Good Practice in Payment Systems

11. & 12. Do you agree with the proposed good practice principles?

The proposed principles are all drawn from existing examples of good practice across the sector. Our evidence from consultations with service providers and foster carers suggests that it is particularly important to have clear, written information about payment schemes, and that discussion and agreement about particular arrangements needs to take place at pre-placement meetings.

13. & 14 What information do foster carers need and how do you ensure that carers receive information about payment schemes?

BAAF believes that foster carers should be respected and treated as members of the children's workforce, and so like other professionals, they should receive clear, written information about agency policies including payment schemes and have access to advice about their particular circumstances.

15. & 16. Should payment systems for foster carers be linked to the Integrated Children's System?

This is one example of good practice. However, our consultations suggest that it is most important to ensure that payment systems are clear, understood and above all efficient. The experience of waiting, or having to chase up payment can be unpleasant and frustrating.

17. & 18 The need for clear and consistent decision-making processes

Again, the examples presented in the consultation document are all based on existing good practice. BAAF believes that treating foster carers as full members of the team requires being consistent and clear about agency policies, as for all other professionals.

20. 21. & 22 Good practice suggestions

The ideas suggested by foster carers and service providers are based on good practice principles including forward planning and discussion with all those involved in the placement – including the child or young person - which BAAF supports. We also support consulting with foster carers because they clearly have good understanding about their needs and what works. Some of the proposals presented here are already in place in some agencies.

National minimum fostering allowances – Consultation Response British Association for Adoption and Fostering

In relation to questions about the need for separate payments to foster carers, the proposed weekly allowance presented in this consultation document would clearly not be sufficient to meet the costs of children's birthdays, holidays, Christmas or even their clothing. As discussed throughout this response, BAAF believes that more thought needs to be given to setting the level of the basic weekly allowance before deciding if or when separate payments should be made.

Children & young people's experience of fostering allowances

23. 24. 25. & 26. How should children & young people be involved in setting fostering allowances & the payment process?

BAAF believes that good practice principles should be followed; being open and clear with children and young people and providing the opportunity to discuss their needs at pre-placement meetings and at reviews.

We also believe that children and young people in foster care should have access to the same opportunities and experiences as their peers, and that this means encouraging them to manage their own finances like all other children, but also ensuring that the national minimum allowance is set at a level which ensures that this is possible.

Concluding Comments

BAAF has campaigned for a National Minimum Allowance for foster carers and welcomes this measure. However, we are very concerned about the proposed level of allowance presented in this consultation, and feel that for all the reasons discussed here it does not reflect the actual costs of fostering children.

Furthermore, while we accept that these proposals relate to a minimum rate, we still believe that by setting the level so low, the government is missing an important opportunity to make a positive statement about foster carers as valued members of the team.

Finally, this consultation document does not address, or even make reference to, the on-going debate about the payment of fees for foster carers. BAAF believes that we will not address current recruitment and retention problems and ensure that more looked after children experience secure and stable family life, unless the government formally acknowledges that foster carers are members of the children's workforce, and that most carers should be paid.