

**REPORT TO:** Cabinet Member – Children, Schools & Families  
**DATE:** 13<sup>th</sup> April 2010  
**SUBJECT:** The National Minimum Fostering Allowance 2010/11  
**WARDS AFFECTED:** All Wards  
**REPORT OF:** Peter Morgan  
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**EXEMPT/  
CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

The first national minimum allowance for foster carers was announced in July 2006, in order to enable fostering services to take account of the rates in planning their budgets for 2007-08. Part of a wider package of measures to improve support for foster carers, the national minimum allowance sets a clear benchmark for payments to all foster carers.

**REASON WHY DECISION REQUIRED:**

At the time the DCSF stated that the national minimum allowance for foster carers would increase, annually, by inflation.

From April 2007 all fostering services must publicise their allowance rates, clearly separated from fees (the 'reward' element of fostering payments).

Progress towards the meeting the minimum rate will be monitored through inspection.

**RECOMMENDATION(S):**

(1) The local authority adopts the new national minimum foster carer allowance for 2010-11.

(2) Children, Schools and Families Services uplift all fostering allowances paid to Sefton foster carers to the recommended national minimum fostering allowances from 1<sup>st</sup> April 2010.

(3) The fostering allowance paid to Sefton foster carers is uplifted annually by at least the national minimum fostering allowances. Any uplift in excess of the national minimum fostering allowance being reported to the Cabinet Member for approval prior to implementation.

**KEY DECISION:**

**FORWARD PLAN:****IMPLEMENTATION DATE:** 1<sup>st</sup> April 2010**ALTERNATIVE OPTIONS:**

1. Not follow guidance and be subject to DCSF scrutiny and inspection
2. Overview and Scrutiny working party have recommended a higher figure, 30% uplift over and above DCSF minimum guidelines, be paid.

**IMPLICATIONS:**

**Budget/Policy Framework:** As part of the Budget process for 2010/11 the Council has allocated uplift in funding to 'priority' budget areas of 2%. Any difference between DCSF uplift and growth allocated to budget as part of 2010/11 budget process can be met from within existing budget commitments.

**Financial:**

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2006/ 2007 £</b>	<b>2007/ 2008 £</b>	<b>2008/ 2009 £</b>	<b>2009/ 2010 £</b>
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

**Legal:****Risk Assessment:****Asset Management:**

**CONSULTATION UNDERTAKEN/VIEWS**

**CORPORATE OBJECTIVE MONITORING:**

<b><u>Corporate Objective</u></b>		<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		√	
2	Creating Safe Communities	√		
3	Jobs and Prosperity	√		
4	Improving Health and Well-Being	√		
5	Environmental Sustainability		√	
6	Creating Inclusive Communities	√		
7	Improving the Quality of Council Services and Strengthening local Democracy		√	
8	Children and Young People	√		

**LINKS TO ENSURING INTEGRATION:****IMPACT UPON CHILDREN'S SERVICES TARGETS AND PRIORITIES:****LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**

The National Minimum Fostering Allowance & Fostering Payment System – DCSF July 2006

The National Minimum Fostering Allowance – update 2010-11

Report on financial implications O&S Fostering Services Working Group Recommendations 8<sup>th</sup> February 2010.

## BACKGROUND

- 1.1 The first national minimum allowance for foster carers was announced in July 2006, in order to enable fostering services to take account of the rates in planning their budgets for 2007-08. Part of a wider package of measures to improve support for foster carers, the national minimum allowance sets a clear benchmark for payments to all foster carers. At the time the DCSF made clear that the rates would be increased annually by inflation.
- 1.2 The national minimum allowance relates to the basic core allowance which foster carers receive to cover the costs involved in looking after any fostered child. It is intended to set a benchmark for the minimum payment rate, which any foster carer should be able to expect.
- 1.3 The rate of the national minimum allowance has been informed by available research into the cost of a child, taking account of extra costs associated with children in foster care. Adjustments have been made to reflect comments and suggestions made during the consultation, including:
  - an addition to compensate for the fact that fostered children are less likely to have money spent on them by grandparents or other family members or friends
  - an increase in the level for 16 to 17 year olds to reflect higher costs associated with this age group
  - an addition for household bills, which can be significantly more costly for foster carers than for other parents.
- 1.4 The actual level of allowance that a foster carer receives will depend on a number of factors, in particular the specific needs of an individual child. The Government expect variation above the minimum to continue and do not expect any fostering service to lower its allowances as a result of the national minimum allowance.
- 1.5 From April 2007, in order to ensure proper transparency about fostering allowance rates, it has been necessary for all fostering services to publicise their allowance rates, clearly separated from fees (the 'reward' element of fostering payments). Progress towards the meeting the minimum rate will be monitored through inspection.
- 1.6 During the passage of the Children Act 2004 through Parliament, the responsible Minister made clear that, if sufficient progress was not made, the Government would consider enforcing the national minimum allowance through regulation.

## FINANCIAL IMPLICATIONS

2.1 The national minimum foster care weekly rates for 2010-11 are set out in the tables below:

### National minimum fostering allowance 2010-11

Weekly rates	Babies	Pre-Primary	Primary	Secondary (11-15)	Secondary (16-17)
Base (£)	109	111	122	140	164
South East (£)	120	123	137	156	184
London (£)	126	129	144	163	191

The weekly rates have been uplifted by approximately 2.8%

2.2 As part of the Budget process for 2010-11 the local authority has made included an inflationary uplifts to this 'priority' services and so any increase in apply the national minimum foster care rates can be met from within existing budget commitments.

## RECOMMENDATIONS

3.1 The local authority adopts the new national minimum foster carer allowance for 2010-11.

3.2 Children, Schools and Families Services uplift all fostering allowances paid to Sefton foster carers to the recommended national minimum fostering allowances from 1<sup>st</sup> April 2010.

3.3 The fostering allowance paid to Sefton foster carers is uplifted annually by at least the national minimum fostering allowances. Any uplift in excess of the national minimum fostering allowance being reported to the Cabinet Member for approval prior to implementation.