

# The cost of foster care



## Investing in our children's future

Robert Tapsfield  
Felicity Collier



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# Foreword

We consider that this report on the cost of foster care represents a major landmark in the development of foster care services for children in public care. For the first time, the expenditure required to run foster care services which can give children in public care the same opportunities as other children has been identified.

75,000 children across the UK are in public care and are the responsibility of local authorities and health and social services boards, yet there are enormous difficulties in giving these children the stability and security they need to enable them to reach their potential. Nearly 75% of children in public care who are living away from home live with foster carers. Improving outcomes for these children requires major improvements to foster care services.

The Fostering Network and the British Association for Adoption & Fostering have assembled, with the assistance of an expert working group, authoritative information and data which puts a figure on the cost of providing foster care services which can transform the lives of these children. The report identifies the enormous shortfall in current funding. This shortfall makes it very difficult for local authorities and health and social services boards to deliver, or commission the provision of, the range and quality of foster care services which are required.

We are calling on governments across the UK to make a very significant level of additional and ongoing investment, in the region of £750 million a year, in order to give children in foster care the same opportunities as other children.

The report also highlights where other savings, including efficiency savings, may offset some of the additional costs. Potentially the biggest savings would be in the long term costs to society of meeting the needs of those adults who need additional support as a consequence of the lack of stability they experienced whilst in care. We recommend that work is carried out to assess these potential savings which over time could outweigh the investment that is required now in foster care.

Our recommendations are of critical importance to children in public care and to our society. We commend them to you.

We are delighted that the report carries the broad support of the Association of Directors of Social Services in England, Northern Ireland and Wales, the Association of Directors of Social Work in Scotland, the Local Government Association in England, and the Convention of Scottish Local Authorities.



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# The cost of foster care

## EXECUTIVE SUMMARY

### Introduction

1. This report, from the Fostering Network and the British Association for Adoption & Fostering (BAAF), assesses the expenditure which is required to transform foster care services across the UK, in order to give children in public care the same opportunities to have a successful future as other children in our society.

### Background

2. Evidence points to a current shortage of at least 10,000 foster carers across the UK. There are also concerns that children in public care experience too many moves, have very poor educational outcomes and do not enjoy the life chances of other children. Placements are often made in haste, and the shortage of foster carers means that too many children have to live many miles from their family, friends and school. When placements break down or children have to be moved from temporary placements with foster carers when they have begun to settle, the risk of long-term difficulties increases. Many of these children will then need expensive residential and therapeutic provision because they cannot cope with family life. There is an overwhelming need to do better for children in public care and, as far as possible, to give them the same opportunities to have a happy and successful life as other children.
3. Currently, foster care services are significantly under-funded. For example, research suggests that:
  - A significant proportion of local authorities/health boards still pay their foster carers an allowance that is lower than the Fostering Network's recommended rate;
  - fewer than 50% of foster carers receive any fee on top of their fostering allowance;
  - many foster carers lack the training and support to address the complex needs of children in their care.

### Summary of findings

4. The Fostering Network and BAAF worked with six local authority/health board fostering services and three independent fostering providers (IFPs) to develop a model for calculating the funding required for a properly resourced foster care service. Throughout the report, we have identified and detailed the assumptions that have informed our calculations. These include assumptions that:
  - all foster carers should receive the Fostering Network's recommended minimum allowance;
  - 85% of foster carers should receive a fee on top of their allowance;
  - foster carers who, by agreement with their agency, make themselves available for 52 weeks per year should be paid a fee throughout the year;
  - post-approval training should be an essential part of an effective foster care service and in the future at least 50% of foster carers should be trained to S/NVQ<sup>1</sup> Level 3 or an equivalent level of qualification;

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<sup>1</sup> Scottish Vocational Qualification or National Vocational Qualification

- children in foster care often have additional education and health needs, and the provision of specialist help and advice should be available to foster carers in order to help them to improve outcomes, especially in education;
  - significant investment is required in the management of foster care services and the support services to foster carers;
  - significant investment is needed to improve recruitment and find foster carers who can meet the needs of children from diverse backgrounds.
5. The report identifies that foster care is in the process of significant change. The demands and expectations on foster carers are rising, the complexity of the fostering task is increasing, and as a consequence there are increasing expectations regarding support and training. We are also seeing a move from foster care as a voluntary activity to foster carers being identified as members of the child care workforce.
6. There is a growing recognition that improving outcomes for children in public care means improving foster care.
7. The report concludes that a massive injection of funding from central government will be required for fostering services to meet the complex needs of children in public care.
8. In 2003/4 the governments of England, Scotland, Wales and Northern Ireland spent an estimated £932.2 million on foster care services. We have estimated that the governments need to spend at least £1.7 billion in 2005/6, which means that there is a current shortfall of almost £748 million.
9. The Social Services Performance Assessment Framework Indicators report (2004) gives a weekly unit cost for foster care in England of £234 for local authorities' own foster care services and £765 for foster care services purchased from independent providers. Our report shows that the weekly unit costs required in 2004/5 to deliver effective foster care services in the four countries were:
- England £633
  - Scotland £605
  - Wales £560
  - Northern Ireland £597
10. The shortfall in funding between stated expenditure in 2003/4 and the funding required in 2005/6 is £748 million. The shortfall in funding for each of the countries in 2005/6 is as follows:
- England £615.7 million
  - Scotland £65.5 million
  - Wales £37.8 million
  - Northern Ireland £28.5 million

N.B. The shortfall identified does not take into account relatively small savings which could be made by improving efficiency, including improved commissioning, and in reviewing the accuracy of current declared expenditure on fostering.



## Conclusions

11. In this report, the Fostering Network and BAAF demonstrate that new investment in the order of £748 million is urgently required in the UK's foster care services to address the recruitment and retention crisis, and provide the high quality care that the children and young people in our public care system so badly need. This level of new funding can only be provided by central government, and we therefore call on all four governments to make planned, long-term investment and show their commitment to improving the life chances of this group of children and young people.
12. This funding must be seen as an investment in a group of children and young people who, as adults, are over-represented in prisons, the homeless and as users of adult mental health services. Tragically, research demonstrates that many of these adults will be unable to care for their own children who may also be admitted to public care. We recommend that work is now carried out to assess the cost annually of providing services to support these adults and their future children. It is likely that even 10 per cent of this cost would far outweigh the investment which is needed in foster care.
13. This report has made the case for planned long-term new investment in foster care. Improving the outcomes for looked after children and enabling more of them to become happy, economically active and responsible citizens and parents makes economic sense. It also makes sense in human terms to everyone who believes in improving the life chances of the most vulnerable members of our society. Let us make sure that we make this investment in order to reduce the chances of children in public care becoming the parents of tomorrow's poor children – the link with the Chancellor's End Child Poverty campaign is self evident.

# 1 Introduction

## 1.1 Setting the context

- 1.1.1 There is a substantial body of evidence pointing to the unique and lifelong disadvantages experienced by children who enter public care. It is the purpose of The Cost of Foster Care Project to assess the investment which would be required to provide a foster care service which would allow looked after children the same opportunities to have a successful future as all other children in our society. This work has been carried out jointly by the Fostering Network and the British Association for Adoption & Fostering (BAAF), with the help of a working group (see Appendix 1).
- 1.1.2 All children in public care have experienced the trauma of being separated from their birth parents; in addition, many of them have experienced neglect, abuse and rejection or the early effects on their development of parental substance misuse and associated chaotic lifestyles. A recent report by the National Statistics Office (2004) showed that, of children and young people aged five to 17 years who were looked after by local authorities, 45% were assessed as having a mental disorder; 37% had clinically significant conduct disorders; 12% had emotional disorders such as anxiety and depression; and 7% were rated as hyperactive. Educational outcomes are equally alarming – only 1% of looked after children go on to university, compared to 50% in the general population; 46% of young women and 59% of young men leave school with no qualifications. Looked after children can too often become needy, disenfranchised and alienated adults. It is widely accepted that they are more likely to need mental health services, go to prison, be homeless and have their own children removed from them. The cost of wasted potential, of long-term support services including the cost of imprisonment, and of another generation of children in public care is almost beyond comprehension.
- 1.1.3 We all know that local authorities have a huge responsibility in delivering services to these highly distressed and vulnerable children and ensuring that they have the security, stability and care which will allow them in the future to take their places as full citizens – citizens who can live independently, be happy, contribute to society and successfully parent their own children. These goals are simple enough; they are only what, as corporate parents, councillors would wish for their own children. The stark reality for so many of these children is very different. With such a litany of disadvantages, the need for us to do better is overwhelming – it would be almost impossible to put a cost on “doing nothing”. Year on year, however, investment in prioritising the quality of care which could transform the lives of looked after children is determined by short-term, cash-strapped local authority budgets which are simply not able to take into account the radical investment which would be required to make a difference. Yet we have a government committed to the eradication of child poverty – and impressive evidence that this is beginning to make a difference.
- 1.1.4 The Cost of Foster Care Project makes the case for major new investment in foster care services, at the level which only central government can make. We believe this investment will, in the long term, be offset by cost savings to our society. We have not calculated what these cost savings would be but consider that it would be a useful piece of future work.

## 1.2 The need for choice and stability in foster care

- 1.2.1 There are 48,980 children in foster care across the UK (73.6% of all children looked after away from home). There is a recognition that better outcomes are achieved for children who are successfully fostered than for those in institutional care. Indeed, comparative studies suggest that children in institutional care experience significantly higher rates of behavioural disturbance than those in either foster care or in the care of their biological families (Roy *et al*, 2000). Specifically, the researchers suggest that some of the reasons for the higher levels of disturbance are related to larger care units (i.e. residential rather than foster care), less personalised care, and more change in caregivers. Performance indicators in England seek to increase the level of stability of children in foster care to prevent some of the same disadvantages being experienced through multiple foster care moves. Of course, many children are only in temporary foster care and are supported during a family crisis after which they will be able to return home. However, significant numbers of children will need a foster placement until they are adopted or for the rest of their childhood and beyond – “a family for life”.
- 1.2.2 Sinclair’s recent research review (2005) highlights the severe and long-standing difficulties children had encountered before they entered the care system. He found that placements were marked by a lack of choice, with choice available in around only 30% of cases; a feeling of crisis, with social workers commonly describing the placements as emergencies; and an acceptance that some initial placements would not be satisfactory, with children staying far longer than had been expected. These processes could lead to a lack of partnership between carer, child, birth family and social workers. Placements made in a rush were more likely to fail. The report argued that the policy on foster care ‘should aim to promote close relationships, choice, change and coherence’ and ‘should pay close attention to the key determinants of success in foster care and in particular to the lynch pin of the system: the foster carers themselves’.
- 1.2.3 The reality at the moment is that evidence gathered by the Fostering Network shows that there is a shortfall of at least 10,000 foster carers across the UK and that this inevitably contributes to the lack of choice for children, placement disruption and further instability.
- 1.2.4 A number of recent studies have shown that many foster carers lack the training and support to address the complex needs of children in their care (Schofield, 2003; Farmer *et al*, 2004; Selwyn and Quinton, 2004; Sinclair *et al*, 2005). BAAF and the Fostering Network believe that key changes are necessary to address these concerns and to build upon the strengths of the current foster care service. As a result, the Fostering Network’s *Foster Care: A manifesto for change* (2004) and BAAF’s position statement *Skills Protect – The strategic development of foster care* (2004) highlight the importance of recruiting and retaining skilled carers, as well as providing them with good support and remuneration.

## 1.3 Assessing the investment required

- 1.3.1 The Cost of Foster Care Project aims to develop these proposals by assessing the level of investment required to transform foster care. The new measures in the Children Act 2004 for England and Wales, which will allow for the establishment of a minimum fostering allowance, and the commitment by the Children’s Minister in England to make any necessary funding available to secure this, are very welcome. Announcements about improved funding

for foster care in England, Scotland, Wales and Northern Ireland have demonstrated a high level of commitment across the UK to improving foster care services. However, the Fostering Network and BAAF still have concerns about whether there is full understanding by national and local government of the overall level of new investment required to create the kind of service we now urgently need.

- 1.3.2 The report that follows draws on recent research and examples from practice to make a number of assumptions about the structure and delivery of good quality foster care. These assumptions are made explicit throughout. We also recognise that in some ways the context of service delivery differs in Scotland, England, Wales and Northern Ireland. In particular, in England and Wales there are increasing numbers of independent fostering providers (IFPs), some voluntary and some private, and these providers assist some local authorities with the provision and support of foster care placements. At present, it appears that IFPs do not have the same difficulties in recruiting and retaining carers as the statutory sector, although it needs to be recognised that the context in which local authorities recruit foster carers can be significantly different to the context in which IFPs operate. We recognise that this relationship can sometimes be problematic, but independent providers have worked alongside local authority colleagues on this project, exchanging examples of good and creative practice.
- 1.3.3 Finally, the Cost of Foster Care Project has developed a set of figures, presented in this report, to demonstrate the new money required over the next five years to transform fostering services in the UK. We hope that this will be given very serious consideration by the respective governments, and that the opportunity to maximise the potential of foster carers and of the children in their care will not be missed.
- 1.3.4 New government targets to narrow the gap in educational achievement between looked after children and their peers by 2008 and to promote greater placement stability have just been set in England. Yet these targets, like the more general outcomes presented in *Every Child Matters* (Department for Education & Skills (DfES), 2003), are highly unlikely to be achieved without significant improvements in the quality of foster care.
- 1.3.5 The consequence of not investing in this service now will mean poorer outcomes for children, as well as the need for more expensive residential care placements which are often the result of poor early placement decisions. The long-term economic and social costs of failing to invest in foster care must clearly outweigh the costs of running a properly funded foster care service. We owe it to the most vulnerable group of children to promote their wellbeing and to enable them to take a full place in our society.

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## 2 Methodology

- 2.1 The aim of this work is to put an approximate cost on a properly resourced foster care service, a service that can offer increased stability and improved outcomes for the children it looks after. Using information already available on current expenditure on foster care services enables us to estimate the level of additional funding that will be required to provide a properly resourced foster care service.
- 2.2 To do this work we brought together representatives from fostering services in three local authorities in England, one in Wales and one in Scotland, a health board in Northern Ireland and representatives from three independent fostering providers. One of the IFPs works exclusively in England, two work in England and Wales. They are all not-for-profit organisations. The smallest of the local authority fostering services looked after 109 children, while the largest looked after 778 children. The smallest IFP looked after 74 children, the largest looked after 212 children. In total the fostering services represented in the Cost of Foster Care working group were looking after 2,651 children and had 2,012 approved foster carer households.
- 2.3 A full list of the members of the working group can be found in Appendix 1.
- 2.4 All the fostering services agreed to share full information on their services and their expenditure on these. All worked with us on establishing the level of service that is required and in working out the cost of providing such a service. The group was not intended to be completely representative of either the independent sector or local authorities/health boards, but was brought together as a small group representing a range of fostering services across the UK, which could draw on the experience of fostering in all four countries and across all sectors.
- 2.5 To calculate the expenditure that will be required to run a properly funded foster care service, we divided the service into four elements:
- allowances paid to foster carers,
  - fees (payments) paid to foster carers,
  - training of foster carers, and
  - the management and support of fostering services (all other expenditure).

For each element we needed to make a number of assumptions in order to calculate the required expenditure. For example, we have made an assumption about the number of training days required by foster carers and have put a cost on this. Throughout the report we have highlighted all the assumptions we have made in order to calculate the expenditure that is required. The assumptions are not intended to be prescriptive about the shape of each fostering service.

- 2.6 To calculate the cost of management and support we took a top-down approach,<sup>2</sup> identifying all the units of activity and asking fostering services to allocate all their expenditure to these units of activity. We subsequently brought together all the fostering services in the working group to compare, analyse and understand the information we had

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<sup>2</sup> We took the top down approach as described in *Unit Costs – Not Exactly Child's Play*, Jennifer Beecham, Department of Health, 2000

collected. As a group, we used this information to make decisions about the level of service required and, when necessary, the cost of such a service. We did not separate out the costs of social work to the child. These costs are incorporated into unit costs of maintaining placements and vary according to each placement type (Ward *et al*, 2004).

- 2.7 In some service areas it proved difficult to identify the expenditure that will be required and we are aware that, as a consequence, we may have underestimated some areas of expenditure. Throughout the report we have identified areas where required expenditure may be underestimated.
- 2.8 The model we have developed for estimating the expenditure that is required to run a foster care service may be of use to fostering services which want to benchmark their services. Using our model, it would also be possible to change individual costs and see how this impacted on overall unit costs.
- 2.9 In our calculations of the total expenditure required for allowances and payments to foster carers in each country, we have used the snapshot figure of the total number of children in foster care on 31.03.04. Where available, we have also shown the number of placement weeks in foster care in the year ending 31.03.04. Although the number of placement weeks in a year will give a more accurate figure of the use of foster care over the whole year, this figure was not available in sufficient detail for all four countries. The snapshot figure, however, does offer a reasonable indication of the number of children looked after throughout the year.
- 2.10 Our calculations of the expenditure required for training of foster carers and for management and support are based on the numbers of foster carers in each of the four countries. These figures are believed to be accurate with regard to the number of foster carers in Scotland, Northern Ireland and Wales. In England, the exact number of approved foster carers is unknown and we have used the figure used by TOPSS England and by the Workforce Development Council.
- 2.11 Staff costs have been sourced from *Unit Costs of Health and Social Care* (Netten and Curtis, 2000). These costs include an amount to cover senior management costs and other overheads including accommodation.

### 3 Current expenditure on foster care

- 3.1 CIPFA (The Chartered Institute of Public Finance and Accountancy) gathers and publishes detailed information on many aspects of local authority spending. Local authorities complete questionnaires which allow CIPFA to estimate the expenditure on foster care services.
- 3.2 Information on the expenditure on foster care is also available from the four governments. Both sets of estimates of expenditure on foster care are shown where available. Table 1 shows the total expenditure on foster care services by local authorities/health boards in the UK, broken down by country.

Table 1 **Total annual expenditure on foster care**

<b>Expenditure on foster care</b>	<b>England £m</b>	<b>Scotland £m</b>	<b>Wales £m</b>	<b>N. Ireland £m</b>	<b>UK total £m</b>
CIPFA 2003/4	688.4	55.5	43.6	Not available	Not available
Govt data 2003/04	809.8	47.4	54.0	21.0	932.2

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## 4 Expenditure required on foster care services

### 4.1 Allowances

- 4.1.1 Fostering services should pay foster carers an allowance that covers the full cost of care. We make a distinction between allowances that are intended to cover foster carers for the full cost of caring for a child or young person and fees or payments that are intended as a reward or remuneration for the skills and the time of the foster carer.
- 4.1.2 The Fostering Network's recommended minimum weekly allowances are set at a level that will, in most cases, cover the full cost to the foster carer of caring for an individual child and are based on evidence from statistics and research.<sup>3</sup>
- 4.1.3 The Fostering Network also recommends that the equivalent of two weeks' additional fostering allowance should be paid to cover the cost of holidays. One week's additional fostering allowance should be paid to cover costs associated with the child's birthday and a further week's allowance should be paid to cover the costs associated with Christmas or other significant religious festival.
- 4.1.4 There is no other benchmark available with an equivalent level of support and sector recognition and we therefore decided that, for the purpose of our calculation of the costs of foster care, we would assume that fostering services need to be funded to pay foster carers the Fostering Network's recommended minimum allowance, including the recommended four additional weeks' allowance. Surveys undertaken by the Fostering Network suggest that a significant proportion of local authorities/ health boards throughout the UK currently pay their foster carers an allowance that is lower than the Fostering Network's recommended rate, although some of these authorities would argue that they make additional payments in other ways. It is clear that, in order to pay all foster carers the Fostering Network's recommended minimum allowance, additional funding would be required.
- 4.1.5 We have not included anything in our calculations to cover additional allowances paid to foster carers looking after children who are exceptionally expensive to care for. It proved difficult to calculate this sum, as practice varied greatly among fostering services in the working group. In Northern Ireland, the Eastern Health & Social Services Board has estimated that the total "bill" for allowances will be 52 x weekly rate plus 40%. However, its weekly rate is currently below that recommended by the Fostering Network. In England there are expectations that the money currently spent on additional discretionary allowances will reduce as the level of allowances goes up. However, it is important to note that the expenditure required on additional allowances is not included in our calculations.
- 4.1.6 **Assumption: we have based our costings for allowances on the assumption that all foster carers will receive the Fostering Network's recommended minimum allowance including the recommended four weeks' additional allowances.**

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<sup>3</sup> There is a separate London allowance that takes account of higher costs in London. *The Expenditure and Food Survey 2003* showed that weekly expenditure for families in London is 20% higher than the national average. Some areas of England and Wales show spending between 12–16% below the UK average. Expenditure in Northern Ireland is between 3–5% below the UK average. With the exception of London, these regional differences tend to balance out and therefore the Fostering Network does not produce regional allowances.



- 4.1.7 The Children Act 2004 gives the governments in England and Wales the power to set national minimum allowances. Work is currently being planned or undertaken in both countries to decide the level of these allowances. The outcome of this work could affect the total cost of paying allowances to foster carers.
- 4.1.8 Importantly, recent research does suggest that the payment of adequate fostering allowances is an important inducement for carers to continue fostering, and a good quality service relies on the retention of experienced carers (Sinclair *et al*, 2004).
- 4.1.9 The total cost of paying the Fostering Network's recommended minimum allowance to foster carers, based on the allowance levels recommended for 2004/5<sup>4</sup> and on the total number of looked after children as at 31 March 2004, is set out in the table below.

Table 2 **Total annual cost of paying the Fostering Network allowances**

	England	Scotland	Wales	N. Ireland	UK total
Placement weeks in foster care					
03/04	2,315,034	Not available	172,134	Not available	Not available
No. of children looked after on 31.03.04 in foster care	41,600	3,461	3,075	1,529	49,665
Allowances	£343.9m	£26.1m	£24.5m	£11.6m	£406.1m

## 4.2 Payments/fees

- 4.2.1 According to the Fostering Network (*Survey of Foster Carers 2004*, the Fostering Network, April 2004), fewer than 50% of foster carers currently receive any fee on top of their fostering allowance and only 30% receive more than £100 per week.
- 4.2.2 The increasing demands and expectations on foster carers, including the requirement in many cases that the main foster carer cannot combine fostering with another full-time job, coupled with societal changes, make it increasingly unlikely that many families will be in a position to be able to foster without receiving some income. As a result, we take the view that a much higher proportion of foster carers will receive fees on top of their allowances in future. Again, recent research studies illustrate that the payment of fees could go some way to addressing the current shortage of foster carers (Sinclair *et al*, 2004).
- 4.2.3 The payment of fees to foster carers is also indicative of the changing relationship between foster carers and fostering services. Increasingly, foster carers are being seen as key members of the professional team that is responsible for securing improved outcomes for children in foster care. The recognition that foster carers are a part of the children's workforce (*Children's Workforce Strategy: A strategy to build a world-class workforce for children and young people*, DfES Draft Consultation Document (2005)) is further confirmation of the

<sup>4</sup> Full details of The Fostering Network's recommended minimum foster care allowances can be found in Appendix 2.

changing role of foster carers. This changing role, however, brings with it increasing demands on foster carers and there are also increasing expectations from fostering services and foster carers concerning training.

- 4.2.4 All the local authorities and the health board in our working group were paying some of their foster carers a fee. In contrast, all the IFPs were paying *all* their foster carers a fee. (IFPs generally pay their foster carers a single combined payment that incorporates the allowance element and fee element in a single payment. In our work we deducted the Fostering Network recommended minimum allowance from the single combined payment to calculate the fee element.) There were also differences between local authorities and IFPs in the level of fees being paid. With one exception, all the local authorities in our group were paying a significant proportion of their foster carers below £100 a week. IFPs were paying above this level.
- 4.2.5 Some local authorities also reported that a proportion of their current foster carers who are not receiving a fee say they do not want to receive a fee in future. Our view is that, with the exception of “family and friends” foster carers (friends and relatives who foster a child), there will be fewer and fewer foster carers who do not require a fee in future. The local authorities in our group reported that they are not generally, any longer, able to recruit foster carers who do not require a fee. Consequently, we can expect that the proportion of foster carers who are receiving no fee will decrease over time.
- 4.2.6 To calculate the expenditure that will be required on payments/fees to foster carers, we have made a number of assumptions about the proportion of foster carers who will receive a fee in the future and the level of such fees.
- 4.2.7 Assumption: Most foster carers will be paid a fee in addition to their allowance.**
- 4.2.8 Approximately 17% of children who are fostered live with family and friends foster carers.<sup>5</sup> (This figure is different for Scotland, where children placed with relatives are not considered to be in foster care.) The Munby judgement (*The Queen on the application of L and Others v Manchester City Council*. Family Law Reports (2002) Vol 1, pp 43–80) has clarified that family and friends foster carers cannot be treated differently on the basis that they are relatives. In practice this means that local authorities cannot pay friends and relatives who are foster carers a lower allowance than other foster carers. Such foster carers also cannot be denied access to fee-paying schemes if they meet the criteria for those schemes. In practice, many family and friends foster carers do not see themselves as part of an increasingly professionalised foster care service. They want access to foster care allowances and a full range of support services, but not necessarily access to fees. However, some friends and relatives are only able to provide foster care if they are paid fees and they must be entitled to join fee-paying schemes if they meet the eligibility criteria.
- 4.2.9 Assumption: most family and friends foster carers will not receive a fee on top of their allowance. Currently, approximately 17% of children who are fostered in England, Northern Ireland and Wales live with family and friends foster carers. We**

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<sup>5</sup> In England 7,500 children were fostered by family and friends on 31 March 2003 (*Children Looked After by Local Authorities Year Ending 31 March 2003*, DfES, 2004). In Wales, 618 children were fostered with family and friends on 31 March 2003 (*Personal Social Services Statistics*, Wales, 2003). 13% of children in foster care are fostered with relatives in Northern Ireland (Lernihan U (2003) *Kinship Foster Care in Northern Ireland*).

have assumed that some family and friends foster carers will receive a fee, and that only a very small number of other foster carers will receive no fee. Consequently, we have based our calculation on the assumption that 15% of children who are fostered will not attract any fee element on top of their allowance. All children fostered in Scotland will receive a fee element.

- 4.2.10 There is considerable variety in the payment schemes currently operated by fostering services. In essence there are three types of scheme. Each type has a number of variations in practice. The fostering services in the working group contained examples of all three types.
- **Type 1:** payment for skills, in which foster carers receive a fee based on their levels of skill and qualification. There can be up to three or four levels.
  - **Type 2:** foster carers are paid a fee which can vary according to requirements placed upon them, for instance, if they guarantee to be available during the day and can therefore take children who require active caring during the day.
  - **Type 3:** all foster carers receive the same level of fee payment.
- 4.2.11 Local authorities tend to operate fee-paying schemes that fall into types 1 or 2. IFPs generally make a single payment that incorporates the allowance and fee. Their payment schemes generally fall into types 2 or 3.
- 4.2.12 A further important variation is that sometimes the fee follows the child. In this case, a foster carer who cares for two or three children can attract two or three fee elements. Some local authorities, however, tie the fee element to the carer and only pay a single fee to a carer regardless of how many children are in placement. The most common current practice is to link the fee element to the child, with foster carers earning additional fee elements for additional children in placement.
- 4.2.13 Assumption: for the purposes of costing the expenditure required on fees, we have assumed that the fee element is linked to the number of children in placement. We have based the total expenditure required on fees on the assumption that each child attracts a fee element.**
- 4.2.14 It is not our intention in this report to be prescriptive as to how fostering services should structure their schemes for paying fees to foster carers or indeed whether, for example, there should be fee reductions for sibling groups. Individual fostering services need to develop fee-paying schemes that take account of the level of skill required, the nature of the fostering task, local needs, the advisability of linking fees to the child, and market forces. However, in order to be able to calculate the total expenditure required on foster carer services, we have had to make a number of assumptions about the level of fees that may be paid to foster carers. It should be noted that we have not included any London weighting that may be required for foster carers living in London.
- 4.2.15 Our costings are based on five levels of fee. All fees are per child. It should be noted that foster carers may join a fostering service at any level.
- **Level 1:** no fee – most family and friends foster carers, some prospective adoption placements.
  - **Level 2:** payable to newly approved foster carers in their first year or two after approval, probably until they have completed their induction – foster carers may be beginning S/NVQ level 3 or equivalent level of qualification.

- **Level 3:** experienced working foster carers, most of whom will have achieved S/NVQ level 3 or equivalent level of qualification.
- **Level 4:** experienced foster carers taking on additional responsibilities.
- **Level 5:** specialist schemes requiring an exceptionally high level of skill and commitment (including remand, treatment and intensive fostering and the care of children with multiple disabilities).

4.2.16 We have estimated the percentage of foster carers at each level. These are derived from the current arrangements of the local authorities and health board in our working group. We have taken into account the work of Harriet Ward *et al* (2004) which has identified groups of children in the care system with different levels of need. These are likely to require foster carers with different levels of expertise and therefore impact on placement costs.

4.2.17 Assumption: the percentage of placements with foster carers in England, Wales and Northern Ireland at each level and the level of fees are assumed to be as follows:

- Level 1: 15% no fee
- Level 2: 20% £120 per week, £6,240 per annum
- Level 3: 22% £185 per week, £9,620 per annum
- Level 4: 35% £275 per week, £14,300 per annum
- Level 5: 8% £385 per week, £20,000 per annum

4.2.18 Assumption: the percentage of placements with foster carers in Scotland, where families and friends are not approved as foster carers, at each level and the level of fees are assumed to be as follows:

- Level 2: 24% £120 per week, £6,240 per annum
- Level 3: 26% £185 per week, £9,620 per annum
- Level 4: 42% £275 per week, £14,300 per annum
- Level 5: 8% £385 per week, £20,000 per annum

4.2.19 It must be emphasised that the above figures are intended to give an overall total for expenditure on fees. Fostering services need to have the flexibility to determine their own payment structure.

### 4.3 Vacancy level

4.3.1 In order to have sufficient placements to provide some placement choice and increase the likelihood of fostering services being able to make placements that are a good “match” and therefore contribute to placement stability for children, fostering services need to have a number of vacancies. Research has shown that children and young people would like to be more involved and take an active role in placement decisions (Blueprint Project, 2004). Other studies have illustrated that the child’s involvement and motivation to make the placement work are key factors in placement stability (Sinclair *et al*, 2005).

4.3.2 Those local authorities in our working group with very low vacancy levels reported enormous difficulties in making appropriate placements. Vacancy levels cannot simply be measured in numbers as it is important that there is a fit between those foster carers who have vacancies and the children and young people who require a placement, but for the purposes of this report we have estimated an overall reasonable working level for vacancies.

4.3.3 The information from the local authorities, health boards and IFPs in our working group

suggested that vacancy levels varied from 0 to 20%. This figure, however, includes foster carers who are taking a break from fostering and are therefore unavailable to offer a placement. High vacancy levels were as likely to be reported by local authorities as IFPs. Very low vacancy levels, hardly surprisingly, were only reported by local authorities. We considered that a vacancy level of 15% of working foster carers is probably necessary in order to provide sufficient variety of placement to meet need. Actual vacancy levels are likely to be higher than this and will include foster carers who are taking an extended break or who wish to be very specific about the type of placement they are offering.

- 4.3.4 Given our assumptions about the increasing proportion of foster carers who will be paid a fee, we think it will be important that working foster carers are paid fees 52 weeks a year, including at times when they have a vacancy. During these times, fostering services say they will have expectations that the foster carer is involved in other fostering related activities, such as training other foster carers, receiving training, mentoring or providing respite care.
- 4.3.5 In our view it is unsustainable for foster carers who are increasingly choosing to foster as an alternative to some other form of paid employment to go without any income when they have a vacancy and while they are making themselves available to take children. In addition, we think it will become necessary to pay foster carers who are unable to work because they are under investigation. In effect, such foster carers should, like employed staff, be suspended on full pay until the outcome of any investigation is known. Foster carers, like other paid workers, are entitled to rely on regular income to meet their commitments.
- 4.3.6 **Assumption: in order to ensure a vacancy level of 15% we will calculate the levels of fees required on the basis of the fostered children population for 2003/4 plus an additional 15%.**
- 4.3.7 In practice, fostering services are likely to have a higher vacancy level if this includes foster carers who are not receiving a fee. The total costs of paying fees to foster carers are set out in the table below.

Table 3 **Total costs of paying fees to foster carers**

	England	Scotland	Wales	N. Ireland	UK total
No. of placement weeks in foster care	2,315,034	Not available	172,134	Not available	Not available
Total no. of children looked after by foster carers on 31.03.04	41,600	3,461	3,075	1,529	49,665
Fees	£412.0m	£40.2m	£30.5m	£15.6m	£498.3m
15% vacancy level	£61.8m	£6.0m	£5.5m	£2.3m	£75.6m
<b>Total required for fees</b>	<b>£473.8m</b>	<b>£46.2m</b>	<b>£36.0m</b>	<b>£17.9m</b>	<b>£573.9m</b>

### 4.4 Post-approval training and qualification

- 4.4.1 The provision of post-approval training is a critical dimension of an effective foster care service. In the longer term, the Fostering Network and BAAF believe that all foster carers should be registered with the appropriate national body (the relevant social care council) and meet the appropriate obligations and requirements of registration. The training requirement for the General Social Care Council (GSCC) (England's social care council) is currently 15 days over three years.
- 4.4.2 There is little doubt that the recognition that foster carers are a part of the children's workforce (*Children's Workforce Strategy: A strategy to build a world-class workforce for children and young people*, DfES Draft Consultation Document (2005)), coupled with, in England, the Government's vision for the children's workforce and the intention to develop an overarching qualifications framework, will have significant implications for the level and nature of post-approval training and continuous professional development.
- 4.4.3 We undertook a survey of the post-approval training schemes in seven fostering services provided by working group members – two IFPs, three local authorities in England, one in Scotland and one in Wales. In six of these providers, training was linked to a recognised qualification and to career progression; in five it was linked to a financial increment. All family and friends carers were encouraged to attend core training courses.
- 4.4.4 The Government has made it clear that training and support provided to foster carers must improve and that foster carers must be helped to develop children's educational achievement and improve their health care. *Every Child Matters* (DfES, 2004) notes that 'a good practice base for supporting foster carers will include the provision of structured training linked to skills and a framework of continuing development'. The TOPSS report, *Integrated and Qualified* (Campbell and Lagos, 2003), includes foster carers as members of the child care workforce and recommends that workforce plans incorporate targets for S/NVQ achievements by foster carers. This report sets a general target that 50% of the child care workforce should achieve S/NVQ level 3.
- 4.4.5 We therefore agreed that, for the purposes of this project, post-approval training should be linked to S/NVQ (or equivalent level of qualification) and to career progression through the different bands which are detailed in paragraph 4.2.14. We decided that our target for costing purposes in line with the child care workforce recommendation should be that 50% of foster carer households, not including family and friends carers, should attain S/NVQ level 3 training (or the national equivalent). It is estimated that currently only 5% of foster carers hold S/NVQ level 3 or equivalent. In order to achieve this position, it was assumed that it would take five years for 50% of all current carers to gain S/NVQ and we allowed the costs of 10% per year in our calculation plus half of all new carers, assuming the turnover was 10%.
- 4.4.6 In addition, all main foster carers should be required to attend the equivalent of five days' training per year in order both to meet their ongoing professional development needs and to update them with relevant legislation and other organisational requirements such as health and safety and equality and diversity policies. This level of training would also meet the requirements of GSCC registration (or the national equivalent). Partner foster carers would be required to make a smaller commitment but their contribution to safe caring and

policy compliance is important and should be recognised by resource allocation. The needs for training of friends and family carers may differ according to individual children's needs but they too should be expected to make a commitment to training. It is recognised that different decisions may be made locally about the level and type of training provided.

4.4.7 Assumptions:

- 50% of foster carers will hold S/NVQ Level 3 qualification, or an equivalent level of qualification, or will be registered for such a course. The current cost of an S/NVQ qualification with carer expenses is estimated at £1,750. It is expected that 10% of carers, plus half of all new carers, will achieve S/NVQ each year for five years.
- All main foster carers, including single foster carers, would attend an average of 10 training sessions (a session is 3.5 hours) per year and family and friends carers would attend five sessions per year. Partners of foster carers and family and friends carers would attend five sessions per year. The cost of a training session is set at £40, a figure which allows some in-house and some externally facilitated provision and allows a contribution to overheads such as carers' travel.
- It is assumed that 17% of carer households in England, Wales and Northern Ireland are family and friends carers but that all carer households in Scotland are mainstream foster carers. It is assumed that 20% of foster carers and family and friends carers are single.

4.4.8 Estimated full cost of foster carer post-approval training (UK):

Based on assumptions above

Total number of carers in UK: 42,498

England 37,000; Wales 1,900; Northern Ireland 1,200; Scotland 2,398

**Calculation of full training costs by country**

**1. Basic core training – 5 sessions per year at £40 per session**

	England	Wales	N. Ireland	Scotland
Family and friends foster carers	6,290	323	204	Not applicable
Partners of family and friends foster carers	5,032	258	163	Not applicable
Partners of foster carers	24,568	1,262	797	1,918
<b>Cost</b>	<b>£7,178,000</b>	<b>£368,600</b>	<b>£232,800</b>	<b>£383,600</b>

**2. Core training – 10 sessions per year at £40 per session**

	England	Wales	N. Ireland	Scotland
Main foster carers	30,710	1,577	996	2,398
<b>Cost</b>	<b>£12,284,000</b>	<b>£630,800</b>	<b>£398,400</b>	<b>£959,200</b>



### 3. NVQ training or equivalent

Each year for five years: 20% of half of current foster carers

Average cost of S/NVQ training per carer: £1,750

	England	Wales	N. Ireland	Scotland
Foster carers	2,764	142	90	216
<b>Cost</b>	<b>£4,837,000</b>	<b>£248,500</b>	<b>£157,500</b>	<b>£378,000</b>

Turnover at 10% per annum

Annual cost of equipping half the new foster carers to S/NVQ

	England	Wales	N. Ireland	Scotland
Foster carers	1,536	79	50	120
<b>Cost</b>	<b>£2,688,000</b>	<b>£138,250</b>	<b>£87,500</b>	<b>£210,000</b>

### 4. Total cost of training

	England	Wales	N. Ireland	Scotland	UK total
Basic core training	£7,178,000	£368,600	£232,800	£383,600	£8,163,000
Core training	£12,284,000	£630,800	£398,400	£959,200	£14,272,400
NVQ training	£7,525,000	£386,750	£245,000	£588,000	£8,744,750
<b>Total</b>	<b>£26,987,000</b>	<b>£1,386,150</b>	<b>£876,200</b>	<b>£1,930,800</b>	<b>£31,180,150</b>

#### 4.5 Management and support of fostering services

4.5.1 All the local authorities, the health board and IFPs in our working group completed a detailed pro forma, giving information on the size of their service and their expenditure for the year ending 31.03.04. We collected all the expenditure associated with the running of a fostering service excluding expenditure on allowances to foster carers, payments to foster carers, post-approval training of foster carers and other expenditure on the child, such as the cost of the social worker.

4.5.2 We are extremely grateful to all the local authorities, the health board and IFPs on the working group who went to considerable efforts to collect this information and who willingly shared this with the intention of gaining a better understanding of the cost of providing a foster care service. We were aware that, although the central aim of our work was to identify the true cost of providing a properly resourced foster care service, we would gain information on the comparative costs of local authority fostering services and independent fostering services. Given the many differences and tensions that exist between the independent sector and local authorities, we considered it important to share what we learnt about the comparative costs.

4.5.3 In analysing the information on expenditure, we asked ourselves whether the existing funding was sufficient to provide a properly resourced foster care service and if not, what



level of funding was required. Of course, we could specify the level of funding required only by specifying the level of service required. Where appropriate, we have described the level of service that we think is required in order to provide foster care services which can meet the needs of the children who are fostered.

- 4.5.4 Generally, the IFPs were providing a higher level of service to their foster carers than the local authorities or health board. This was also reflected in their unit costs, which were also higher. However, this was not a like for like comparison as the local authorities found it hard to identify all their costs whereas this was a much simpler task for the independent providers, who were mostly providing only foster care services and were able to include all their costs.
- 4.5.5 The higher management costs of the IFPs were not always associated with service provision. One IFP showed particularly high management costs. However, it emerged that it had increased its management capacity to take account of a planned expansion.
- 4.5.6 The experience of our working group suggested there were a number of key areas where the IFPs appeared to be investing more in the operation of their service than local authorities. In particular, they provided better ratios of supervising social workers to foster carers, they employed a far higher number of first-line managers, they invested more heavily in a range of support activities and their social workers enjoyed far better administrative support. Research consistently illustrates that a perceived lack of support is a major cause of foster carer dissatisfaction, and that the success of placements depends on access to a supportive social worker (Wilson *et al*, 2003).
- 4.5.7 As we explored in detail the level and nature of the activities that a fostering service needs to undertake and attempted to cost this, we found it helpful to think in terms of a unit of service delivery. Our notional unit provided the support services to 50 working foster carer households. In practice, the level of support required by foster carers varies significantly but our unit of 50 provides a useful average.
- 4.5.8 All management and support costs, with the exception of respite provision, have been calculated per foster carer. This enables us to estimate the level of funding required at a national level for management and support costs by multiplying the unit cost by the number of foster carers in each country. The management and support will inevitably vary as the number of foster carers goes up or down. The Fostering Network has estimated that there is a shortage of 10,000 foster carers across the UK. A more recent survey by the Fostering Network in Scotland suggests that this may be an underestimate of the shortage. The Department of Health, Social Services and Public Safety in Northern Ireland is currently seeking an additional 300 foster carers – an increase of over 20% of current capacity.

Table 4 **Number of foster care households in the UK**

	England	Scotland	Wales	N. Ireland	UK total
Number of foster care households	37,000	2,398	1,900	1,200	42,498

4.5.9 In costing management and support services we made the following assumptions about the level of management and other aspects of operations necessary to provide a good service:

4.5.10 **Supervising social workers (also known as link workers):** providing good support to foster carers is seen as an absolutely central and essential component of a good fostering service. The experience of our working group suggested that local authorities were not able to provide the level of support that they thought was required; IFPs were providing higher levels of support and the evidence from foster carers is that this is valued (Kirton *et al*, 2003).

4.5.11 **Assumption: one supervising social worker to 10 foster carer households is a reasonable ratio.** The workload of supervising social workers will include running support groups and may include managing a support worker. The 1:10 ratio is an average as some placements and placement types will need a higher level of support than others. In practice, it is likely that supervising social workers will also be involved in recruitment; however, we have costed this differently (see paragraph 4.1.9). Where recruitment does form part of the role, an adjustment should be made to the 1:10 ratio.

4.5.12 **Support workers:** these are regarded as crucial members of staff who work as part of the professional support service. Some fostering services use foster carers as support workers; other fostering services make different arrangements. In some cases support workers may hold an appropriate qualification. Others may have relevant experience. Support workers supplement the role of the supervising social worker. They may assist with some escorting, babysitting arrangements or offer practical help and support in a range of other ways.

4.5.13 **Assumption: one support worker or full-time equivalent for 25 foster carers. Two support workers per unit of 50 foster carer households.**

## 4.6 Management of fostering services

4.6.1 The local authorities in our working group considered that their services were very under-managed at present and that this meant they were unable to provide the level of service they considered was required.

4.6.2 **Assumption: we considered that an average of one manager to five supervising social workers should be reasonable (that equates to one manager being responsible for 50 foster carer households).**

## 4.7 Respite provision

4.7.1 The IFPs in our working group generally offered much higher levels of respite provision than the local authorities, who considered that they were unable to offer what was needed. The types of respite offered included residential care, other foster carers, relatives approved as respite carers and activity holidays for the child. One fostering service actively encouraged short-term foster carers to make use of respite care but discouraged this for long-term placements. A fostering service which takes children who are particularly challenging offers foster carers 20 nights respite a year, although in the previous year it had provided considerably more than this. Research has shown that

access to respite care and targeted support are key factors in promoting placement stability (Perez del Aguila *et al*, 2002).

- 4.7.2 The working group members also varied in their approach to the continued payment of fees and allowances when the child was having respite care. Our view is that all payments and allowances should continue to be paid to the foster carers. Only a small proportion of the allowance covers weekly expenditure on food and withdrawing this seems unnecessary and would result in additional administrative costs which would outweigh the gain. Respite care can also be for very short periods of time, when withdrawing a small proportion of the allowance becomes even more unreasonable.
- 4.7.3 We recognise that different types of fostering are likely to require different levels of respite care, but in order to calculate the expenditure required we have estimated the average level of respite care required across all types of fostering.
- 4.7.4 **Assumption: fostering services need to offer a variety of respite provision and should be funded overall for an additional two weeks a year of payments and allowances for each child fostered. This would provide a fostering service with a sufficient level of funding to purchase and/or arrange sufficient levels of respite provision that take account of the different requirements of different types of foster care.**
- 4.7.5 The cost of providing this level of respite is set out in Table 5.

Table 5 **Total annual cost of respite provision**

	England	Scotland	Wales	N. Ireland	UK total
No. of placement weeks	2,315,034	Not available	172,134	Not available	Not available
Total no. of children looked after in foster care on 31.03.04	41,600	3,461	3,075	1,529	49,665
Allowances	£12.3m	£0.9m	£0.9m	£0.4m	£14.5m
Fees/payments	£15.8m	£1.5m	£1.2m	£0.6m	£19.1m
<b>Total</b>	<b>£28.1m</b>	<b>£2.4m</b>	<b>£2.1m</b>	<b>£1.0m</b>	<b>£33.6m</b>

#### 4.8 Support groups

- 4.8.1 The provision of regular support groups is regarded as an essential component of a support service to foster carers who are, after all, an entirely home-based workforce. All fostering services provide support groups in some form but expectations of attendance and frequency vary, as does the support available to foster carers to enable them to attend and the quality of venues and refreshments. The importance of holding events for the sons and daughters of foster carers is also now recognised.
- 4.8.2 **Assumption: one support group per month per 10 foster care households. Cost of £200 per support group per month to cover all associated costs including refreshments, rent, babysitting and crèche, but excluding staff costs, which are included in supervising social worker and support worker costs. Two support groups**

per year for the sons and daughters of foster carers at the same level of funding. The cost of this level of service for our unit of 50 foster carers is £12,000 per year for foster carer support groups and £2,000 a year for support groups for sons and daughters.

### **4.9 Out-of-hours support**

- 4.9.1 The level and nature of out-of-hours services provided by the members of our working group varied enormously. All the IFPs offered round-the-clock telephone access to supervising social workers and/or managers. For some this was a very low cost service that relied mostly on the goodwill of staff. This level of support was not available in local authorities, who generally had to fund fully an out-of-hours service or rely unsatisfactorily on the council out-of-hours emergency service.
- 4.9.2 Providing out-of-hours support to foster carers is now required in England and Wales and we think that the provision of round-the-clock support from the fostering service is an essential component of a good fostering service. In fact, research has shown that poor access to out-of-hours support contributed to foster carers leaving the service (Kirton, 2001). The level of take-up may not be high and it may be possible to provide almost entirely telephone support. It should, however, be a specific service provided by the fostering service that approves the foster carer.
- 4.9.3 **Assumption: at a minimum, fostering services need to provide an out-of-hours telephone support service. To establish a reasonable cost for such a service we agreed to take a midway point between the services provided by the two local authorities who had developed a dedicated out-of-hours service for their foster carers. This gave the cost of providing out-of-hours support to be £182 per annum per foster care household.**

### **4.10 Support events**

- 4.10.1 All fostering services regard it as important to hold one or two events a year that give due recognition to the contribution of the foster carers, their sons and daughters and other family members who are a resource for the children and young people they foster. Events organised ranged from receptions, outings and dinners, to weekends away. All involved foster carers, their children and the children they foster. Such events can also be invaluable in helping to overcome the isolation that many foster carers experience.
- 4.10.2 Support events are generally better funded by IFPs than by local authorities. Indeed, some local authorities had no budget for any support event.
- 4.10.3 **Assumption: £150 per foster carer household per annum is a reasonable funding level for up to two support events.**

### **4.11 Educational and other support staff**

- 4.11.1 There is concern throughout the UK about a range of poor outcomes, including educational and health outcomes, for looked after children. Children in foster care need access to mainstream education and health services that respond sensitively to their particular needs. However, addressing poor outcomes requires foster carers and fostering services to place a far greater emphasis on improving these outcomes than has been the case in the past.

Increasingly it is recognised that the answer is not simply to improve the level of service provided by schools and/or child and adolescent mental health services (CAMHS), for example, but to also improve the performance of foster carers and foster care services. This requires that educational advice and resources and health advice, promotion and resources are available and at the disposal of fostering services. Fostering services require the capacity to fund this resource themselves in order to be able to allocate these resources where they are most needed at the time they are most needed. Evidence from children and young people in foster care suggests that they would like improved educational services (Sinclair *et al*, 2001). Research has also shown that good outcomes for these children as well as stability of placement are linked to good liaison with education services (Selwyn and Quinton, 2004). More generally, Sinclair's most recent research shows that the foster child's happiness at school predicted good outcomes for the child as well as the placement (Sinclair *et al*, 2005).

- 4.11.2 **Assumption: our service unit of 50 foster carer households requires a funding for one and a half posts. These might include teachers, psychologists, counsellors, nurses, psychiatrists or similar. The type and quantity of staff required are likely to depend on the characteristics of the children and young people in foster care. Their key role is to support and assist foster carers and not to provide direct services to children and young people. The staff may be directly employed or "bought in" by fostering services through other arrangements.**

#### **4.12 Equipment/home alterations**

- 4.12.1 Local authorities spend significantly more on equipment than IFPs. This is partly accounted for by local authorities funding foster carers who are caring for very disabled children and on occasions being prepared to fund home extensions. IFPs do not fund home extensions and generally regard the payment they give foster carers as sufficient to cover equipment needs.
- 4.12.2 All local authorities reported enormous pressure on these budgets and argued that larger budgets would lead to an increase in fostering capacity. Three of the local authorities were clearly able to identify their expenditure on equipment and home alterations. To calculate the expenditure required we have taken an average of their expenditure and added 20% to take account of the current shortfall.
- 4.12.3 **Assumption: local authority/trust funding for equipment and home alterations should be increased by 20%. This gives a cost of £2,296 per foster care household.**

#### **4.13 Independent support**

- 4.13.1 Fostering services in England and Wales are now required to offer independent support to carers facing an allegation. Local authorities and IFPs generally do this on an ad hoc basis. This is not entirely satisfactory for foster carers or fostering services. The Fostering Network runs an advice and mediation service in 26 local authorities in England and in Northern Ireland. This service provides independent support for foster carers facing an allegation and it also works with local authorities and foster carers to reduce and pre-empt allegations. Research has shown that poor support at the time of an allegation meant that many carers left the service even when the allegations were totally unfounded (Minty and Bray, 2001).
- 4.13.2 **Assumption: fostering services should be funded to purchase independent support for their foster carers either from the Fostering Network or an equivalent level of**

service from elsewhere. Costs will inevitably vary according to level of service supplied and size of service but will on average be £40 per annum per foster carer household. For our unit of 50 foster carers this will cost £2,000.

### **4.14 Administration including administration of finance and panel administration**

4.14.1 According to the members of our working group, this is an area where IFPs are better resourced and where local authorities think they are significantly under-resourced. In local authorities it is common for social workers to undertake the photocopying of BAAF forms for panel – unquestionably not the best use of their time.

4.14.2 Assumption: fostering services require two and a half administrative posts per team of 50 foster carers. This is significantly above the level currently available in all our local authorities but below the level commonly available in independent fostering services. Responsibilities will include panel administration.

### **4.15 Senior management/HR and other overheads**

4.15.1 It proved very difficult for local authorities to disaggregate their senior management expenditure and allocate this pro rata. It was, however, comparatively simple for IFPs to identify their senior management, HR and other overhead costs. However, as our primary aim was to identify the level of funding local authorities require, we decided to calculate senior management, HR, accommodation and other overhead costs by incorporating these into staff costs. These are sourced from *Unit Costs of Health and Social Care 2000* (Netten and Curtis, 2000). These costs have consequently been added to the staff costs for all the staff we have identified as needing to be included in our unit of fostering service.

### **4.16 Panel**

4.16.1 IFPs are generally paying panel members at present. This practice is less common in local authorities. The Commission for Social Care Inspection (CSCI) in England suggests that local authorities which are not currently paying panel members should consider doing so. We consider that it is appropriate to pay panel members and that it is likely to become accepted or required practice in future. Acting as a panel member requires considerable skill and experience. Paying panel members properly rewards them for their work and responsibilities.

4.16.2 Assumption: one panel hearing per 10 foster carer households per annum. Each panel costs £2,000, giving panel costs of £10,000 per annum for our unit of 50 foster carers. These costs exclude administrative costs, which are covered under administration, but include fees, travel expenses, rent and refreshments.

### **4.17 Accommodation**

4.17.1 It was more difficult for local authorities in our working group to identify accommodation costs than for IFPs who, because of the specialist nature of their operation, knew accurately how much they were spending on office accommodation. Local authorities also often had free access to corporate rooms and other meeting space. IFPs have to pay for all their accommodation requirements. Generally, however, while the IFPs in our working group regarded their office accommodation as suitable for the task, the local authorities in our

group often reported very poor accommodation which lacked suitable spaces for meeting with foster carers.

4.17.2 Despite the indication that there will be increased accommodation costs for local authorities, we have included these costs in staff overheads. This probably means that there is insufficient funding for accommodation in our calculations.

#### **4.18 Training costs for staff**

4.18.1 We found very different levels of funding for staff training, ranging from one local authority which allocated £48 per annum per head to IFPs allocating over £1,000 per annum per staff member. Generally local authorities were investing less in their staff than IFPs.

4.18.2 In determining the funds required for training, we took into account the GSCC requirement on social workers to undertake a minimum of 90 hours (15 days) training over three years, the responsibility on all staff and employers for continuous professional development, and the requirements for post-qualification training. We also took into account the training needs of staff who are undertaking a specialist area of work.

4.18.3 **Assumption: to meet all the training requirements for staff we estimated an allocation equivalent to £1,000 per staff member per year. Our notional unit of service delivery requires a staff team of 12 full-time equivalent posts. This gives a training cost for staff of £12,000 per year for our notional unit of service delivery. Throughout the report we have allocated the staff required to our notional unit of service delivery providing a service to, on average, 50 foster carers. The total staffing required will be as follows:**

- 1 team manager
- 5 supervising social workers
- 2 support workers
- 1.5 posts to cover educational and health support
- 2.5 administration posts

#### **4.19 Recruitment of foster carers**

4.19.1 Recruitment costs varied and we found no evidence of differences between local authorities and IFPs. We did find evidence which suggested that low levels of expenditure on recruitment led to lower than anticipated numbers of foster carers being recruited. Sinclair recently argued that one of the keys to a successful fostering service is a good recruitment strategy which means that placement choice and “matching” are possible (Sinclair *et al*, 2005).

4.19.2 One report (COSLA, 2000) suggested that the cost of recruiting a new foster carer, including the cost of any advertisements, preparation and assessment was £11,500 per new foster carer. We think this is still a reasonable figure.

4.19.3 Research has suggested that there is an annual turnover of foster carers of around 10% (Sinclair *et al*, 2004). Given the current shortage of foster carers, fostering services should seek to recruit 15% of the current workforce. This would lead to a 5% increase in the number of foster carers over the course of a year.

4.19.4 **Assumption: the cost of recruitment – advertising, preparation, including the**



Fostering Network's *The Skills to Foster* or other preparation course and assessment – is £11,500 per foster carer household.

#### **4.20 Total cost of management and support**

4.20.1 The full cost of management and support, including training of foster carers, is shown in Table 6. Full details of all the management and support costs that have been included in this total are shown in Appendix 4.

*Table 6 Management, support and training costs*

	<b>England</b>	<b>Scotland</b>	<b>Wales</b>	<b>N. Ireland</b>	<b>UK total</b>
No. of foster carer households	37,000	2,398	1,900	1,200	42,498
Management and support	£496.4m	£32.2m	£25.5m	£16.1m	£570.2m
Training	£27.0m	£1.9m	£1.4m	£0.9m	£31.2m
<b>Total</b>	<b>£523.4m</b>	<b>£34.1m</b>	<b>£26.9m</b>	<b>£17.0m</b>	<b>£601.4m</b>

#### **4.21 Total expenditure required for a properly resourced foster care service**

4.21.1 The total expenditure required for a properly resourced foster care service is shown in Table 7. Weekly unit costs and the total expenditure on allowances and payments have been calculated using the total number of fostered children on 31.03.04. Total expenditure on management, support and training has been calculated using the number of foster carers in each country. The numbers of foster carers in Scotland, Wales and Northern Ireland are regarded as accurate. The total number of foster carers in England is unknown. The figure we have used is the figure currently used by DfES, TOPSS England and the Children's Workforce Development Council. Variations in the number of looked after children or the number of foster carers will lead to a variation in the total expenditure required. Increases in these figures will lead to pro rata increases in required expenditure. Decreases will lead to pro rata decreases in required expenditure.

4.21.2 The difference between the countries in the required weekly unit cost of foster care, shown in Table 7, can be explained by the different ratio between the number of children living with foster carers and the total number of foster carers. In England there is just over one child placed with foster carers for every approved foster carer household. In Wales, by contrast, there are 1.7 children placed with foster carers for every approved foster carer household.

4.21.3 It is interesting to compare our weekly unit cost with available information on this. The Social Services Performance Assessment Framework Indicators report (2004) gives a weekly unit cost for foster care in England of £234 for local authorities' own foster care services and a figure of £765 for foster care services purchased from independent providers. The basic weekly charge of the three IFPs who were part of our working group ranged from £347 to £1,178. It should be noted that these charges purchase very different services. The weekly unit cost which we consider to be required is much closer to the current unit costs of placements in the independent sector than it is to the weekly unit costs of local authorities.



Table 7 **Total expenditure required on foster care services**

<b>Expenditure required</b>	<b>England</b>	<b>Scotland</b>	<b>Wales</b>	<b>N. Ireland</b>	<b>UK total</b>
Allowances	£343.9m	£26.1m	£24.5m	£11.6m	£406.1m
Payments	£473.8m	£46.2m	£36.0m	£17.9m	£573.9m
Training	£27.0m	£1.9m	£1.4m	£0.9m	£31.2m
Respite care	£28.6m	£2.4m	£2.1m	£1.0m	£34.1m
Management and support	£496.4m	£32.2m	£25.5m	£16.1m	£570.2m
<b>Total</b>	<b>£1,369.7m</b>	<b>£108.8m</b>	<b>£89.5m</b>	<b>£47.5m</b>	<b>£1,615.5m</b>
Average weekly unit cost	£633.18	£604.54	£559.72	£597.42	£625.54

#### 4.22 Additional expenditure required

4.22.1 Comparing the required expenditure with current expenditure allows us to see the additional expenditure that is needed.

Table 8 **Immediate additional expenditure required**

	<b>England</b>	<b>Scotland</b>	<b>Wales</b>	<b>N. Ireland</b>	<b>UK total</b>
Expenditure 2003/4	£809.8m	£47.4m	£54.0m	£21.0m	£932.2m
Required expenditure 2004/5 <sup>6</sup>	£1,369.7m	£108.8m	£89.5m	£47.5m	£1,615.5m
Additional expenditure required	£559.9m	£61.4m	£35.5m	£26.5m	£683.3m

4.22.2 However, this expenditure will only be sufficient to provide a properly resourced foster care service for the number of fostered children on 31.03.04. Over the last five years the number of children living with foster carers in the UK has risen from 45,245 to 49,665. There is every reason to believe that this figure will continue to rise, as the number of looked after children has been rising slowly over the same period and the price differential between foster care and residential care offers local authorities a financial incentive to place children in foster care as opposed to residential care.

4.22.3 Currently there are significant variations across the country in the proportion of looked after children living away from home who are in residential care. In England, 13% of looked after children living away from home live in children's homes and residential schools. However, in eight local authorities, 20% or more children are living in residential care (DfES (2005) *Statistics of Education: Children Looked After by Local Authorities Year Ending 31 March 2004*). Some children will always be most appropriately placed in residential care, but

<sup>6</sup> The figures for 2004/05 vary slightly from the figures shown in Appendix 4. This is due to the rounding up or down of the numbers.

the current variations in practice suggest that there is scope for the overall proportion of children placed in residential care to decrease.

- 4.22.4 Placing more children in foster care means that fostering services will have to recruit, train and support more foster carers. This will obviously have cost implications, but is it possible? Table 9 shows that, over the last three years, although the total number of children placed with foster carers in England has continued to grow, this growth can be accounted for by the number of children placed with family and friends foster carers and with IFPs. Since 2001, local authorities in England have placed 800 fewer children with their own foster carers, excluding family and friends foster carers, while over 2,500 more children have been placed with foster carers in the independent sector.
- 4.22.5 Although we have not, in this work, been able to explore the reasons why local authorities are struggling to recruit the numbers of foster carers they need and why the independent sector is having more success, it is certainly true that the levels of remuneration to foster carers in the independent sector are, on average, higher and so are the levels of support. It is likely that both these factors contribute to the comparative success of the independent sector in recruiting foster carers.

**Table 9 Variations in the number of children placed with foster carers in England between 2001 and 2003**

<b>Children looked after in England</b>	<b>31.03.01</b>	<b>31.03.02</b>	<b>31.03.03</b>
All children	58,900	59,700	60,800
Foster placements	38,400	39,200	41,100
Relatives or friends with LA	5,100	5,200	5,700
Other foster carer provided by LA	23,500	22,700	22,800
Through IFP with LA	670	970	1,100
With relative or friend outside LA	1,400	1,700	1,800
Other foster carer providing LA outside	4,600	4,800	4,500
Through IFP outside LA	3,000	4,000	5,100

- 4.22.6 Currently there is a shortage of foster carers across the UK. It is difficult to put a definite figure on the shortage, although the Fostering Network has estimated that a further 10,000 foster carers are required. Whatever the exact shortage, it is widely accepted that there is a need to recruit a significantly greater number of foster carers and to target recruitment to ensure that foster carers are found where they are needed and that their skills and ethnic background are appropriate to make the best placements.
- 4.22.7 To respond to this shortage, we have calculated management and support costs on the basis that the UK-wide recruitment target should be 15% of the current foster care workforce. Assuming a 10% turnover, this would give an overall rise in foster care households of 5% per annum. To meet the current shortage of foster carers, we think that there is a need to plan for an overall 5% increase in the number of foster carer households per annum for the next five years. Table 10 shows the funding that will be required to meet this target. This table assumes that the current number of children in placement remains as it was on

31.03.04. An allowance has been built in for inflation.<sup>7</sup> A 5% increase per annum in foster carer households over the next five years would secure an increase of 11,320 foster care households. We believe it is essential that foster care services are funded sufficiently to secure this increase.

Table 10 Expenditure required over 5-year period<sup>8</sup>

	England	Scotland	Wales	N. Ireland	UK total
Expenditure 2003/4	£809.8m	£47.4m	£54.0m	£21.0m	£932.2m
Required expenditure 2004/5	£1,369.7m	£108.8m	£89.5m	£47.5m	£1,615.5m
Required expenditure 2005/6	£1,425.5m	£112.9m	£91.8m	£49.5m	£1,679.7m
Required expenditure 2006/7	£1,484.1m	£117.2m	£95.2m	£51.4m	£1,747.9m
Required expenditure 2007/8	£1,547.3m	£121.8m	£98.8m	£53.6m	£1,821.5m
Required expenditure 2008/9	£1,615.8m	£126.8m	£102.8m	£55.9m	£1,901.2m

<sup>7</sup> Throughout the report we have used the *Consumer Price Index* (CPI) as our measure of inflation. This is in keeping with the Government which, in 2003, changed the UK inflation target to one based on the CPI. However, it must be noted that if costs such as salaries increase by more than CPI inflation, the overall cost of the foster care service will be greater than predicted in the report. The exception to this is the cost of allowances which are based on the Fostering Network's recommended minimum allowances. Each year, the Fostering Network increases the allowances by the RPI which is why we have continued to do so in the report.

<sup>8</sup> The figures shown for the expenditure required for 2004/05 are not identical to the figure shown in Appendix 3. The differences can be accounted for by the rounding up or down of the figures.

## 5 Conclusions and recommendations

- 5.1 The Cost of Foster Care Project aimed to establish the level of funding required to run a properly resourced foster care service. This is against a background of concern about very poor outcomes for many children who leave the looked-after system and an agreed need to significantly improve these outcomes.
- 5.2 Working with six local authority/health board fostering services and three IFPs, the Fostering Network and BAAF have developed a model for calculating the funding required to run a properly resourced foster care service. Throughout we have identified all the assumptions that have informed our calculations. However, there are two areas where it has proved difficult to estimate the funding required. As a consequence, we are concerned that we may have underestimated the following costs:
- We have included no funding for additional discretionary allowances to foster carers. The level of these allowances varies enormously at present and is likely to be influenced by the basic adequacy of the allowance paid to all foster carers. We have assumed that additional discretionary allowances would reduce if the Fostering Network's recommended allowances are paid to foster carers. However, there would still be a need for some additional allowances and we have not included a figure for these in our calculations.
  - Senior management and other overhead costs, including accommodation costs, have been included in staffing costs. However, we are concerned that these may underestimate the costs of ensuring that fostering services are properly and well managed. They will certainly provide a lower level of senior management and other central services than was offered by the independent providers in our group.
  - In addition, although we have included London allowances in our calculations of allowances, other costs are significantly higher in London and we are not confident that we have adequately captured these.
- 5.3 The project found that foster care services are significantly underfunded at present. Overall, we estimate that an additional £683.3 million was needed for 2004/5 across the UK. For 2005/6 the funding required in each of the four countries is as follows:
- England £1,425.5 million
  - Scotland £112.9 million
  - Wales £91.8 million
  - Northern Ireland £49.5 million
  - **Total funding required £1679.7 million**
- 5.4 The shortfall in funding between expenditure in 2003/4 and the funding required in 2005/6 is £748 million. The shortfall in each of the countries is as follows:
- England £615.7 million
  - Scotland £65.5 million
  - Wales £37.8 million
  - Northern Ireland £28.5 million
- 5.5 There is also a need to recruit more foster carers in order to secure placement choice and increase the likelihood of finding local foster homes for all children who need these. If we do not do this, then children will not have the stability and continuity which could transform their lives. To secure an additional 10,000 foster carer households requires that the number of foster carer households increase by 5% a year for the next five years. We have built this

assumption into our forecasts. Table 10 shows that, even if the number of children in foster care remains at 2003/4 figures, annual expenditure will need to increase to £1.9 billion in 2008/9.

- 5.6 Foster care is in the process of significant change. In particular, we are seeing a move from foster care as a voluntary activity undertaken by families who received only allowances to cover out-of-pocket expenses, to foster carers as members of the paid child care workforce. This move is also reflected in the changing nature of the contract between foster care services and foster carers. Foster care services now have increasing expectations of foster carers. Every placement is the subject of a written agreement covering mutual expectations. Foster carers, in turn, have expectations regarding the level of support services available and there are mutual expectations with regard to training.
- 5.7 We are calling on all four governments to provide the sustained investment we have shown is necessary in the UK's foster care services. This funding is required to secure improved outcomes for looked after children and to narrow the gap in life chances between young people who have been looked after and other young people.
- 5.8 We recognise that the sum we have identified may seem very large and that a case may be made by others for efficiency savings, including improved commissioning and resource allocation, and that the extent of declared local authority/health board expenditure on fostering services may be an underestimate. Improved foster care services would also result in future savings on expensive residential and therapeutic care for children who have not had the advantage of a stable and enduring foster placement which met their needs. It was not our purpose in this report to assess and to offset the value of these future savings. However, such arguments can in no way reduce the power of our analysis which makes an overwhelming case for major new money to be found.
- 5.9 This funding must be seen as an investment in a group of children and young people who, as adults, are over-represented in prisons, the homeless and as users of adult mental health services. Tragically, research demonstrates that many of these adults will be unable to care for their own children who may also be admitted to public care. We recommend that work is now carried out to assess the cost annually of providing services to support these adults and their future children. It is likely that even 10 per cent of this cost would far outweigh the investment which is needed in foster care.
- 5.10 This report has made the case for planned long-term new investment in foster care. As we have shown, in the long term, improving the outcomes for looked after children and enabling more of them to become happy, economically active and responsible citizens and parents makes economic sense. It also makes sense in human terms to everyone who believes in improving the life chances of the most vulnerable members of our society. Let us make sure that we make this investment in order to reduce the chances of children in public care becoming the parents of tomorrow's poor children – the link with the Chancellor's End Child Poverty campaign is self evident.

# Appendix 1

## Members of the Cost of Foster Care Working Group

Robert Tapsfield	<i>Chief Executive</i>	The Fostering Network
Felicity Collier	<i>Chief Executive</i>	BAAF
Jane Asquith	<i>Trainer Consultant</i>	BAAF
David Bickerstaff	<i>Principal Social Worker</i>	Eastern Health and Social Services Board, Northern Ireland
David Brooks	<i>Residential Services</i>	Wandsworth Borough Council
Sue Cook	<i>County Manager</i>	Essex County Council
Ron Cooke	<i>Treasurer</i>	BAAF
Laurie Gregory	<i>Executive Director</i>	Foster Care Co-operative
Barbara Hudson	<i>Director</i>	BAAF Scotland
Val Jones	<i>Team Manager, Family Placement and Resource Team</i>	Bridgend County Borough Council
Alison King	<i>Chair of Children and Young People Board</i>	Local Government Association
Steve Miley	<i>Divisional Manager</i>	Hammersmith & Fulham Borough Council
Paul Mossman	<i>Senior Manager Family &amp; Youth Division</i>	Cheshire County Council
Theresa Nixon	<i>Deputy Director of Social Services</i>	Eastern Health and Social Services Board, Northern Ireland
Kingsley Peter	<i>Business Manager</i>	TACT
Denise Roberts	<i>Referrals &amp; Placements Co-ordinator</i>	Integrated Services Programme (ISP)
Stephanie Stone	<i>Principal Officer, Family Placement and Care</i>	Family Placement and Care Placement and Care Management, Glasgow Council
Vicki Swain	<i>Policy &amp; Campaigns Manager</i>	The Fostering Network N.B. Also responsible for collating and analysing the calculations in the report
Andrea Warman	<i>Fostering Development Consultant</i>	BAAF
Kevin Williams	<i>Chief Executive</i>	TACT

## Observers

Vivian Martin	<i>Child Protection and Placement Team</i>	Welsh Assembly Government
Kate Jelley	<i>Fostering and Choice Protects</i>	DfES Team
Harriet Ward	<i>Director of the Centre for Child and Family Research</i>	Loughborough University
Lisa Holmes	<i>Centre for Child and Family Research</i>	Loughborough University

# Appendix 2

## The Fostering Network's recommended minimum allowances for foster carers

**2004/05**

**TABLE 1**

Age	Recommended Fostering Allowance per week April 2004	Plus extra allowances to be given back at relevant times	Gross Weekly Amount	Annual Amount
0-4	108.49	2 weeks' holiday	116.84	6,075.44
5-10	123.58	1 week Christmas/	133.09	6,920.48
11-15	153.84	Religious Festival	165.67	8,615.04
16+	191.37	1 week birthday	206.09	10,716.72

**TABLE 2 – LONDON**

Age	Recommended Fostering Allowance per week April 2004	Plus extra allowances to be given back at relevant times	Gross Weekly Amount	Annual Amount
0-4	127.32	2 weeks' holiday	137.11	7,129.92
5-10	145.15	1 week Christmas/	156.32	8,128.40
11-15	180.75	Religious Festival	194.65	10,122.00
16+	224.50	1 week birthday	241.77	12,572.00

**2005/06**

**TABLE 1**

Age	Recommended Fostering Allowance per week April 2005	Plus extra allowances to be given at relevant times	Gross Weekly Amount	Annual Amount
0-4	112.07	2 weeks' holiday	133.09	6,275.92
5-10	127.66	1 week Christmas/	137.48	7,148.96
11-15	158.92	Religious Festival	171.14	8,899.28
16+	193.28	1 week birthday	208.14	10,823.28

**TABLE 2 – LONDON**

Age	Recommended Fostering Allowance per week April 2005	Plus extra allowances to be given at relevant times	Gross Weekly Amount	Annual Amount
0-4	131.52	2 weeks' holiday	141.64	7,365.28
5-10	149.94	1 week Christmas/	161.47	8,396.44
11-15	186.71	Religious Festival	201.07	10,455.64
16+	226.75	1 week birthday	244.19	12,697.88

# Appendix 3 Total Costs

<b>Inflation</b>	2004/05	0.00%																	
	2005/06	1.90%																	
<b>Cost</b>	2004/05	£32,482	£43,005	£200	£40	£182	£150	£33,041	£54,820	£2,296									
	2005/06	£33,099	£43,822	£204	£41	£186	£153	£33,669	£55,862	£2,340									
<b>2004/05</b>	<b>No of carers</b>	<b>Supporting social workers</b>	<b>Manager</b>	<b>Support groups</b>	<b>Sons &amp; daughters support</b>	<b>Out of hours</b>	<b>Support events</b>	<b>Support workers</b>	<b>Educational support</b>	<b>Equipment</b>									
<b>Assumption</b>																			
Unit	50	1 social worker to 10 foster carer households	1 manager to 5 social workers	1 per month per 10 foster carer households, £200 per group	£40 per foster carer household	Average H&F and Cheshire £182.26 per foster carer household	£150 per foster carer household	2 per 50 foster carer households	1.5 posts per 50 foster carer households	Current plus 20% foster carer household									
England	37000	£162,410.00	£43,005.00	£12,000.00	£2,000.00	£9,113.00	£7,500.00	£66,082.00	£82,230.00	£114,813.00									
Scotland	2398	£120,183,400.00	£31,823,700.00	£8,880,000.00	£1,480,000.00	£6,743,620.00	£5,550,000.00	£48,900,680.00	£60,850,200.00	£84,961,620.00									
Wales	1900	£7,789,183.60	£2,062,519.80	£575,520.00	£95,920.00	£437,059.48	£359,700.00	£3,169,292.72	£3,943,750.80	£5,506,431.48									
Northern Ireland	1200	£6,171,580.00	£1,634,190.00	£456,000.00	£76,000.00	£346,294.00	£285,000.00	£2,511,116.00	£3,124,740.00	£4,362,894.00									
<b>Total</b>		<b>£3,897,840.00</b>	<b>£1,032,120.00</b>	<b>£288,000.00</b>	<b>£48,000.00</b>	<b>£218,712.00</b>	<b>£180,000.00</b>	<b>£1,585,968.00</b>	<b>£1,973,520.00</b>	<b>£2,755,512.00</b>									
		<b>£138,042,003.60</b>	<b>£36,552,529.80</b>	<b>£10,199,520.00</b>	<b>£1,699,920.00</b>	<b>£7,745,685.48</b>	<b>£6,374,700.00</b>	<b>£56,167,056.72</b>	<b>£69,892,210.80</b>	<b>£97,586,457.48</b>									
<b>2005/06</b>	<b>No of carers</b>	<b>Supporting social workers</b>	<b>Manager</b>	<b>Support groups</b>	<b>Sons &amp; daughters support</b>	<b>Out of hours</b>	<b>Support events</b>	<b>Support workers</b>	<b>Educational support</b>	<b>Equipment</b>									
Unit	50	1 social worker to 10 foster carer households	1 manager to 5 social workers	1 per month per 10 foster carer households, £200 per group	£40 per foster carer household	Average H&F and Cheshire £182.26 per foster carer household	£150 per foster carer household	2 per 50 foster carer households	1.5 posts per 50 foster carer households	Current plus 20% foster carer household									
England	38850	£165,495.79	£43,822.10	£12,228.00	£2,038.00	£9,286.15	£7,642.50	£67,337.56	£83,792.37	£116,994.45									
Scotland	2518	£128,590,228.83	£34,049,767.82	£9,501,156.00	£1,583,526.00	£7,215,336.22	£5,938,222.50	£52,321,282.57	£65,106,671.49	£90,904,685.32									
Wales	1995	£8,334,036.99	£2,206,793.06	£615,777.62	£102,629.60	£467,631.79	£384,861.02	£3,390,984.75	£4,219,616.17	£5,891,606.36									
Northern Ireland	1260	£6,603,282.02	£1,748,501.59	£487,897.20	£81,316.20	£370,517.27	£304,935.75	£2,686,768.56	£3,343,315.56	£4,668,078.44									
<b>Total</b>		<b>£4,170,493.91</b>	<b>£1,104,316.79</b>	<b>£308,145.60</b>	<b>£51,357.60</b>	<b>£234,010.90</b>	<b>£192,591.00</b>	<b>£1,696,906.46</b>	<b>£2,111,567.72</b>	<b>£2,948,260.06</b>									
		<b>£147,698,041.75</b>	<b>£39,109,379.26</b>	<b>£10,912,976.42</b>	<b>£1,818,829.40</b>	<b>£8,287,496.18</b>	<b>£6,820,610.27</b>	<b>£60,095,942.34</b>	<b>£74,781,170.95</b>	<b>£104,412,630.18</b>									



# Appendix 3 Total Costs cont.

<b>Inflation</b>	2004/05	0.00%																		
	2005/06	1.90%																		
<b>Cost</b>	2004/05	£40	£24,568	£2,000	£1,000	£11,500														
	2005/06	£41	£25,035	£2,038	£1,019	£11,719														
<b>2004/05</b>	<b>No of carers</b>	<b>Independent support</b>	<b>Admin</b>	<b>Panel</b>	<b>Training costs staff</b>	<b>Recruitment</b>	<b>Training</b>	<b>Allowances</b>	<b>Payment</b>	<b>Total</b>										
<b>Assumption</b>																				
Unit	50	£2,000.00	£61,420.00	£10,000.00	£12,000.00	£86,250.00				£670,823.00										
England	37000	£1,480,000.00	£45,450,800.00	£7,400,000.00	£8,880,000.00	£63,825,000.00	£26,987,000.00	£356,215,978.40	£489,624,096.00	£1,369,273,094.40										
Scotland	2398	£95,920.00	£2,945,703.20	£479,600.00	£575,520.00	£4,136,550.00	£1,930,800.00	£26,988,448.64	£47,740,203.36	£108,834,521.08										
Wales	1900	£76,000.00	£2,333,960.00	£380,000.00	£456,000.00	£3,277,500.00	£1,386,150.00	£25,382,105.00	£36,192,165.75	£88,453,594.75										
Northern Ireland	1200	£48,000.00	£1,474,080.00	£240,000.00	£288,000.00	£2,070,000.00	£876,200.00	£12,035,104.98	£18,560,990.37	£47,573,247.35										
<b>Total</b>		<b>£1,699,920.00</b>	<b>£52,204,543.20</b>	<b>£8,499,600.00</b>	<b>£10,199,520.00</b>	<b>£73,309,050.00</b>	<b>£31,180,150.00</b>	<b>£420,621,637.02</b>	<b>£592,117,455.48</b>	<b>£1,614,805,280.58</b>										
<b>2005/06</b>	<b>No of carers</b>	<b>Independent support</b>	<b>Admin</b>	<b>Panel</b>	<b>Training costs staff</b>	<b>Recruitment</b>	<b>Training</b>	<b>Allowances</b>	<b>Payment</b>	<b>Total</b>										
Unit	50	£2,038.00	£62,586.98	£10,190.00	£12,228.00	£87,888.75				£683,568.64										
England	38850	£1,583,526.00	£48,630,083.46	£7,917,630.00	£9,501,156.00	£68,289,558.75	£28,873,263.10	£366,582,538.80	£498,926,953.82	£1,425,515,586.67										
Scotland	2518	£102,629.60	£3,151,755.14	£513,148.02	£615,777.62	£4,425,901.67	£2,085,842.05	£27,793,532.72	£48,647,267.22	£112,949,791.41										
Wales	1995	£81,316.20	£2,497,220.50	£406,581.00	£487,897.20	£3,506,761.13	£1,483,052.60	£26,125,767.66	£36,879,816.90	£91,763,025.78										
Northern Ireland	1260	£51,357.60	£1,577,191.90	£256,788.00	£308,145.60	£2,214,796.50	£935,747.70	£12,394,085.54	£18,913,649.19	£49,469,412.08										
<b>Total</b>		<b>£1,818,829.40</b>	<b>£55,856,251.00</b>	<b>£9,094,147.02</b>	<b>£10,912,976.42</b>	<b>£78,437,018.05</b>	<b>£33,377,905.45</b>	<b>£432,895,924.72</b>	<b>£603,367,687.13</b>	<b>£1,679,697,815.94</b>										

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