



Modernising and improving the administration of council tax consultation: The Fostering Network's response

September 2025

Question 17: Are there any other disregards which should be considered in respect of certain cohorts who do not fall within the current disregards?

Yes, The Fostering Network (TFN) believes that foster carers should be considered within the disregards.

Recruitment and retention challenges in foster care

Foster carers play a vital role in society, offering a stable, loving home for some of England's most vulnerable children and young people. The role is incredibly rewarding but also demanding, requiring compassion, resilience and commitment. However, over the last decade foster carers have faced growing financial pressures from rising living costs, declining financial support and respect and support from children's social care teams. These pressures have contributed to serious recruitment and retention concerns within fostering.

In England over the past two decades, the number of children coming into care has been increasing, while the number of foster carers is decreasing. Our State of the Nations' report 2024 report¹ (SoTN), surveyed almost 3,000 foster carers and found 60% of foster carers have either considered, or are still considering, resigning from fostering and we have estimated that around 5,000 more foster carers are needed in England. This is a clear indicator of a crisis within the sector. Therefore, it is crucial fostering services can do everything in their power to retain the foster carers they already have, as well as recruit new ones. We believe that providing foster carers with a council tax exemption will help support government efforts to find solutions to the current recruitment and retention crisis.

Our SoTN report also found that many foster carers do not feel respected for the role they play in supporting children and young people who cannot live with their birth family. Of the foster carers who responded saying they had considered resigning, 54% had considered it due to the lack of respect they experienced from other professionals. Providing foster carers with council tax exemptions would contribute to foster carers feeling more respected and valued by the Government and their local authority as it would be a tangible demonstration of the importance of the vital care-giving role which they provide 24 hours, 7 days a week. We know when foster carers feel valued and supported in their role, they are more likely to continue providing care long term, thereby improving stability and better outcomes for the children in their care.

The SoTN 2024 survey also found that 21% of the 114 fostering services stated that finances, including council tax exemptions, are really effective in retaining foster carers. The Fostering Network's research continues to show that current allowances and fees received by foster carers are often inadequate and many foster carers must top up their income in other ways to be able to continue to foster. SoTN 2024 found that only one in three foster carers considered their fostering allowance and claimable expenses meet the full cost of looking after

¹ The Fostering Network (2024). *State of the Nation's Foster Care 2024 – Full Report*. The Fostering Network. <https://www.thefosteringnetwork.org.uk/media/fbldiwhh/sotn24-full-report.pdf>

the children they foster. One quarter said they feel their fee is sufficient to cover their essential living cost, including bills, rent or mortgage. Therefore, introducing council tax exemptions for foster carers would offer substantial financial relief.

Benefits to local authorities and local placements

One potential option is for exemptions to be provided to foster carers who foster for local authority fostering services. This could significantly improve the number of local placements available within the local authority. SoTN 2024 found a quarter of children in the care of foster carers who responded, were living in a different local authority or trust areas to the one in which they originally lived.

We know there are many emotional benefits to children and young people being placed with foster carers within the same local authority. This includes the ability to go to the same school, keep the same friends and be able to visit family members, allowing them to maintain a sense of belonging and be able to access support networks. Being removed from birth family and looked after within the care system can be a traumatic experience for children and young people and this can be further compounded by having to move out of their local area. There are also many financial benefits to keeping children in the local area, including the money and reduced time social workers and the team around the child need to travel to visit the child. Local authority placements are often less expensive than those provided by independent fostering agency providers (IFAs) or within residential care. The average in-house (LA) placement costs £440 per week² while the average IFA placement costs approximately £800 per week while residential care placements can cost on average £3,800 per week.³ Therefore, by using local authorities' unique power to provide a council tax exemptions, local authorities can attract more foster carers into in-house fostering services, with some even transferring over from IFAs. This may create long-term financial savings for the Government by reducing the amount spent on IFA and residential home placements.

Overview of current council tax discounts

We conducted desk-based research of all local authority websites, which showed around a quarter of local authorities in England (40 out of 151) already provide an exemption or discount to foster carers. 25 local authorities provide full exemptions, nine provide discounts between 25-70%, two have a maximum discount they give (£1,500 or £2,000) and two provide foster carers with a yearly payment to go towards their council tax. It is not clear what the remaining two local authorities' discount is. These exemptions often come with a strict criteria to be met before they can be awarded. This includes, providing a placement for a total of 26 weeks (182 days) of the year or receiving 50% discount if they provide a placement for less than 26 weeks, as well as a maximum band the foster carer's house can fall under. Six London local authorities provide their foster carers who look after their children, but live in a different borough, with reimbursement equivalent to the amount they pay in council tax.

Examples of local authorities providing exemptions to foster carers

Liverpool City Council⁴ is an example of a local authority providing a full council tax exemption scheme for their in house foster carers. Within the first year of introducing the scheme, they saw eight foster carers move from independent fostering agencies to in-house fostering services - almost hitting their target of recruiting ten additional foster carers which they calculated would offset the cost of introducing the exemption. They also found that the scheme boosted the morale of their foster carers.

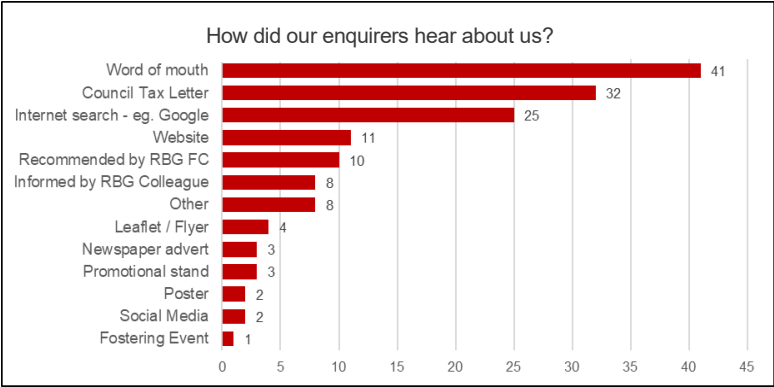
²Perryman, G. (2023). *CYP Scrutiny Budget Presentation: Placement Budget*. Trafford Council. <https://democratic.trafford.gov.uk/documents/s44805/CYP%20Scrutiny%20Budget%20Presentation%20Placement%20Budget%20final%20version.pdf>

³ Competition and Markets Authority (2022). *Children's Social Care Market Study: Final Report*. UK Government. <https://www.gov.uk/government/publications/childrens-social-care-market-study-final-report/final-report>

⁴ Speakman, E and Blake, K (2023). *Council Tax Exemption for PCC Foster Carers*. Plymouth City Council. <https://democracy.plymouth.gov.uk/documents/s142541/4b.%204%202023%2010%2030%20Council%20Tax%20Exemption%20for%20PCC%20Foster%20Carers.pdf>

Plymouth Council also gives full exemptions to their foster carers. In their proposal⁵ to their local cabinet members, they estimated that the maximum amount the council tax exemption would cost in 2023/34 was £224,530, this is without considering other households that may already receive some sort of discounts. They calculated that if they recruit 15 new “in- house” foster carers equating to provision for 20 children they would avoid paying £596,020 by those children and young people not being placed in IFAs. Introducing council tax exemptions has significantly improved Plymouth’s overall foster carer offer. Since launching their campaign around the new offer, they have seen increased traffic on all social media platforms as well as increased engagement with local press and improved responses to newsletters and leaflet drops. This has resulted in increased enquiries and recruitment, including the recruitment of IFA carers transferring to their service.

Royal Borough of Greenwich in London is another council that provides full exemption for their foster carers and those who foster for them but live outside the borough. Since introducing this policy, Greenwich has found that the second most common way prospective foster carers learn about fostering with them is through their council tax letter, where it is made clear that foster carers are included in the list of disregards. Greenwich reported a spike in enquiries after running a campaign highlighting the council tax exemption. This provides evidence that council tax exemptions can be an effective recruitment tool.



While a council tax disregard is currently a decision for local authorities to make, we believe a national exemption set, and funded, by the Government would mean that every foster carer across England could receive the same amount of support, no matter where they are living and for which service they foster. This will avoid this financial incentive being a post code lottery. We believe a council tax exemption will pay for itself given the positive effect it has on recruitment and retention and the savings incurred from foster placements instead of residential.

Recommendation: We urge the Government to introduce and fully fund a national disregard for foster carers across England.

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⁵ Speakman, E and Blake, K (2023). *Council Tax Exemption for PCC Foster Carers*. Plymouth City Council.
<https://democracy.plymouth.gov.uk/documents/s142541/4b.%204%202023%2010%2030%20Council%20Tax%20Exemption%20for%20PCC%20Foster%20Carers.pdf>