

4<sup>th</sup> February 2026

This briefing sets out our support for two amendments to the Children's Bill on foster carer finances, tabled by Minister Natalie Don-Innes.

Foster carers and eligible kinship carers in Scotland receive a financial allowance which is intended to cover the costs of looking after a child in care. Most foster carers also receive a fee in recognition of their time and experience. But these payments are often inadequate, meaning children's needs are not being met and fostering is becoming increasingly unaffordable.

We urge the Education, Children and Young People Committee to support the Scottish Government's amendments on allowances and financial transparency and consider inclusion of fees at stage three. This will be crucial to ensure foster carers are adequately financially supported to provide the best possible care for the children they look after, and to tackle the ongoing retention and recruitment crisis in foster care.

## Putting fostering allowances on a statutory footing, with an annual uprating duty

### Need for the amendment

The Scottish Government introduced the [Scottish Recommended Allowance](#) (SRA) for foster and kinship carers in August 2023, aiming to create consistency in allowances paid across Scotland. However, payment of the SRA is not enforceable, and the recent [review](#) of its implementation found that not all independent fostering agencies are paying the SRA. The review also found widespread agreement that the rates are inadequate and the age bands should be reviewed. SRA rates were frozen until June 2025, when they were uprated by only 1.7%.

Our research provides further evidence of the inadequacy of fostering allowances. Less than a third (31%) of foster carers in Scotland who responded to the 2024 [State of the Nations' Foster Care survey](#) (SotN) said the fostering allowance, and any expenses they can claim, cover the full costs of looking after the children they foster. This has decreased from half (49%) in 2021, despite the introduction of the SRA. Most foster carers (79%) said they use other personal income, such as their foster carer fees, savings, or partner's income, to cover this extra cost. 28% said they have to work and 15% said they have to claim benefits to cover the extra cost.

The [review](#) of the SRA's implementation found strong support for the SRA to be mandatory. 80% of foster carers and 71% of kinship carers who answered the question agreed or strongly agreed that the Scottish Government should mandate minimum SRA rates across local authorities and independent fostering agencies, but they should still be able to choose to pay above this. The review also found unanimous support for an annual uprating duty to be applied to the SRA to ensure it keeps up with inflation.

### Need for inclusion of fees at stage three

Alongside the allowances they receive for the children they look after, most foster carers receive a fee in recognition of their time and experience. For many foster carers, given the demands of

providing trauma-informed care, attending training, supervising time with birth family, record-keeping, and other requirements, fostering is a full-time role. However, there are still no set national fees, so rates across Scotland are hugely varied and often inadequate.

Our [fees report](#) shows that, according to freedom of information (FOI) requests sent in May 2023, only six local authorities in Scotland (19%) provided a fee that was above the National Living Wage for a notional 40-hour week. Corroborating this, only 21% of foster carers in Scotland who responded to the 2024 SotN survey said their fee is sufficient to cover their essential living costs, for example their bills, rent or mortgage, and food. Furthermore, the fees report shows that the levels of fees provided by different local authorities in Scotland varied by more than £34,000 per year. Independent fostering agencies were not included in this research as they are not subject to FOIs, so the true extent of variation may be even higher across the entire fostering sector.

Sector-wide support for a national fee framework is clear: in responses to the 2024 SotN survey, 71% of foster carers and 72% of fostering services in Scotland said government should set a national fee framework to apply across all fostering services. Moreover, in the Scottish Government's [consultation on the future of foster care](#), 82% of respondents who answered the question agreed there should be a national approach to foster carer fees.

### Effect of the amendment

Section 110(1) of the Adoption and Children (Scotland) Act 2007 states that "The Scottish Ministers may by regulations make provision about payments by a local authority in respect of a child [in foster or kinship care]". Amendment 21 to the current Children's Bill would mean that any rates of payment specified in regulations made under section 110(1) of the 2007 Act are subject to the inflationary uprating duties set out in the Social Security (Scotland) Act 2018, so Ministers must uprate them each year in line with inflation. The amendment would not itself require Ministers to use their powers under section 110(1) to specify rates of payment for foster or kinship carers in regulations, but would just place an uprating duty on any rates they do specify in regulations - which, if amendment 20 (see below) is accepted, may also include "other payments", such as fees.

This is a welcome step towards our calls for statutory, inflation-adjusted payments for foster carers. While we would have preferred an amendment which required Ministers to use their powers under section 110(1) to specify allowance and fee rates in regulations, and then applied sections 86A and 86B of the Social Security (Scotland) Act 2018 to said rates, we are encouraged that this amendment creates an implicit expectation that allowances will be set out in regulations and that they will be subject to an annual uprating duty. If this amendment is accepted at stage two, we will seek to strengthen it at stage three by pushing for an explicit requirement for Ministers to set out both allowance and fee rates in regulations. In the meantime, we would encourage MSPs to support the amendment as it stands.

### Amendment text

**Natalie Don-Innes**

**21** After section 10, insert—

**<Uprating of allowances**

(1) The Adoption and Children (Scotland) Act 2007 is amended by subsections (2) and (3).

(2) In section 110 (allowances for care of certain children: regulations), after subsection (3) insert—

“(3A) Sections 86A and 86B of the Social Security (Scotland) Act 2018 apply as if a rate of payment specified in regulations made under subsection (1)(a) was a relevant figure for the purposes of those sections.”

(3) In section 117 (orders and regulations), in subsection (5), paragraph (a), after subparagraph (iii) insert—

“(iv) section 110(1)(a) which make provision of a kind mentioned in subsection (3)(c) of that section.”

(4) The Children and Young People (Scotland) Act 2014 is as amended by subsections (5) and (6).

(5) In section 73 (kinship care assistance: further provision)—

(a) after subsection (2) insert—

“(2A) Sections 86A and 86B of the Social Security (Scotland) Act 2018 apply as if a rate of payment specified in regulations mentioned in subsection (2B) was a relevant figure for the purposes of those sections.

(2B) The regulations are regulations made under section 71(2) that specify a rate of payment to be made to kinship carers.”,

(b) after subsection (4) insert—

“(5) In this section, “kinship carer” means a person approved as suitable to be a kinship carer in accordance with the Looked After Children (Scotland) Regulations 2009 (S.S.I. 2009/210).”.

(6) In section 99 (subordinate legislation), in subsection (2), after “section 68(3)(b)” insert—

“section 71(2), where provision of a kind mentioned in section 73(2B) is made.”>

## Transparency about payments to foster carers

### Need for the amendment

At the introduction of the Scottish Recommended Allowance, the Scottish Government and COSLA agreed that local authorities would publish their allowances for foster and kinship carers online. However, the review of the SRA's implementation noted that information was unavailable on foster carer rates in five areas and on kinship carer rates in six areas. The review considered that “The lack of clear and accessible online allowances information, presented in a consistent manner, undermines one of the fundamental intentions of the SRA, i.e. to help bring consistency and transparency to the allowances process”. It found widespread support for future legislation to require local authorities and independent fostering agencies to publish their allowances and fees, considering this “the single biggest step that would help achieve transparency”.

### Effect of the amendment

This amendment would enable Ministers to require local authorities to publish the rates of payment they provide. Currently the amendment only creates this power in relation to local authorities; if accepted at stage two, we will seek to strengthen this at stage three by pushing for it to also include independent fostering agencies.

Natalie Don-Innes

20 After section 10, insert—

*<Allowances and other payments*

**Allowances and other payments**

- (1) The Adoption and Children (Scotland) Act 2007 is amended as follows.
- (2) In section 110 (allowances for care of certain children: regulations)—
  - (a) in subsection (1)—
    - (i) the words from “payments” to the end of the subsection become paragraph (a),
    - (ii) after that paragraph insert—  
“(b) other payments by a local authority to foster carers.”,
  - (b) in subsection (3), after paragraph (e) insert—  
“(f) requiring local authorities to publish the rates paid by them, in such manner and at such times as may be specified.”,
  - (c) after subsection (6) insert—  
“(7) In this section, “foster carer” means a person approved as suitable to be a foster carer in accordance with the Looked After Children (Scotland) Regulations 2009 (S.S.I. 2009/210).”.
- (3) The section title of section 110 becomes “Allowances and other payments for care of certain children: regulations”.
- (4) The italic heading immediately before section 110 becomes “Care allowances and other payments: regulations.”>

### Impact of the amendments on children in foster care

Quotes from foster carers show how inadequate financial support, combined with the cost of living crisis, limits opportunities for the children in their care. Improving foster carer finances could directly improve children’s access to opportunities and therefore their quality of life.

Foster carer finances also have a significant impact on the retention and recruitment of foster carers. The latest [data](#) shows that between 2023 and 2024, the number of fostering households in Scotland fell by 5.7%, with only 191 new households approved while 356 deregistered. This affects children in care because it results in a lack of foster carers available to meet their needs in their communities, meaning they have to move far from home or into residential care.

### Impact on retention

In responses to the 2024 SotN survey, over a quarter (28%) of foster carers in Scotland who have considered resigning from the role selected financial difficulties as a contributing factor.

Foster carers who said their allowances cover the full costs of looking after children were significantly less likely to have

*“We have had to cut back on so much, days out, treats, holidays, the type of food we eat and unfortunately, heating.”* – foster carer, 2024 SotN survey

*“I often use my credit cards to subsidise their life. I will probably give up fostering altogether as lack of finances is stressing me out.”* – foster carer, 2024 SotN survey

considered or still be considering resigning (46%) than those who said they did not cover the full costs (64%). Similarly, those who said their fees are sufficient to cover their essential living costs were significantly less likely to have considered or still be considering resigning (38%) than those who said their fees are insufficient (66%).

### Impact on recruitment

We asked fostering services what they consider to be the primary reasons preventing suitable applicants from enquiring about fostering. The top theme – mentioned in 50% of comments – was finances.

*[The top barrier is the] cost of living and financial risks associated with fostering.* – fostering service, 2024 SotN survey

[Research](#) shows that word-of-mouth is a strong driver of recruitment in fostering, but inadequate financial support means foster carers are less likely to recommend the role to others, negatively impacting recruitment. The 2024 SotN survey found that carers who said their allowances cover the full costs of looking after children were significantly more likely to recommend fostering (76%) than those who said they do not cover the full costs (36%). Those who said their fees are sufficient to cover their essential living costs were significantly more likely to recommend fostering (77%) than those who said their fees are insufficient (44%).

### Summary

The Independent Care Review's [The Promise](#) report (p.77) states that "To provide the care that children require, foster carers must be sufficiently financially maintained." For too long the Scottish Government and fostering services have relied on foster carers' goodwill to make up the shortfall in allowances and fees provided. But since the cost of living crisis began, this has become increasingly unmanageable for foster carers, and many cannot reach any further into their own pockets. We therefore urge MSPs to support Minister Natalie Don-Innes' amendments on allowances and financial transparency and to consider strengthening these to include fees at stage three to ensure fostering is financially viable and children receive the level of care they deserve.

For more information on the contents of this briefing, please contact Sioned Ellis, Policy and Public Affairs Officer at The Fostering Network, on [Sioned.Ellis@fostering.net](mailto:Sioned.Ellis@fostering.net) or 01412046585.