



Llywodraeth Cymru
Welsh Government

To:
Chief Executives, Local Authorities
Directors of Social Services
Heads of Children Services
Directors of Independent Fostering
Service Providers
Fostering Managers
WLGA
ADSS
Chief Finance Officers

23 March 2020

Dear Colleague

NATIONAL MINIMUM ALLOWANCES FOR FOSTER CARERS 2020 - 2023

Purpose

This letter sets out the recommended National Minimum Allowances for Foster Carers in Wales which we expect local authorities to implement from 1 April 2020.

Background

The Welsh Government introduced the National Minimum Allowances for Foster Carers in 1 April 2011 and made a commitment to review the rates of allowances on a three yearly cycle. The allowances are based on research that was undertaken by London Economics (Wales) and the Hadley Centre for Adoption and Foster Care Studies to estimate the costs to foster parents of bringing up a fostered child which could be used as a basis for setting minimum fostering allowances across Wales. The current allowance rates are set until 31 March 2020 and are the minimum rate providers give their carers and do not preclude providers paying higher rates. Following the publication 11 March of the Office for Budget Responsibility's forecasts for average earning, we have set the allowances for 2020-23 onwards.¹

¹ The methodology that LE Wales applied in determining the recommended minimum maintenance allowance was an income based series; they used the average annual earnings growth in Wales as recorded by the Office for National Statistics (ONS) using data from the Annual Survey of Hours and Earnings (ASHE). A full description of the methodology used is at Annex 2 of the LE Wales Report: <http://londoneconomics.co.uk/blog/publication/fostering-allowances-and-a-fees-framework-for-foster-carers-in-wales/>

Allowances

The national minimum allowances are the basic core allowance that foster carers receive to cover the costs involved in looking after any fostered child. They are intended to set a benchmark for payment rates to all foster carers.

The actual level of allowance that any foster carer will receive will depend on a number of factors, in particular the specific needs of an individual child.

These allowances should be applied to all foster carers approved by a fostering service registered in Wales who are caring for a looked after child. This includes approved foster carers who are friends or family of the child and short break or respite carers.

The table below sets out the recommended allowance rates for foster placements in Wales. The rates vary according to the age of the foster child.

Recommended national minimum weekly allowance rates up rated in line with the Office for Budgetary Responsibility forecasts for growth in earnings			
2020/2021			
Age of child (years)	0-4	5-15	16+
Maintenance allowance for on-going costs	£188	£171	£213
2021/2022			
Age of child (years)	0-4	5-15	16+
Maintenance allowance for on-going costs	£194	£177	£220
2022/2023			
Age of child (years)	0-4	5-15	16+
Maintenance allowance for on-going costs	£200	£183	£228

It should be remembered that these basic allowances are only sufficient to meet the regular general costs of most foster placements. They will not be sufficient to cover additional costs for children who have needs over and above those of most foster children.

Action - Local Authority / Independent Fostering Providers

From 1 April 2020, all fostering service providers in Wales should:

- publicise their allowance rates
- take the necessary actions to ensure current and potential foster carers are aware of the rates including by making the information available on websites
- ensure that rates are recorded or accessible on the Children's Commissioning Support Resource (CCSR)

- ensure that allowances are clearly separated from fees (the 'reward' element of fostering payments).

Review of the National Minimum Allowances

During 2020, the Welsh Government is proposing to undertake a review of Fostering Fees and Allowances across Wales, following the work undertaken by the National Fostering Framework Steering Group. The aim of the review will be to ensure that fees, allowances and any other related benefits are consistent across Wales and that Local Authorities are not effectively competing against one another for foster carers. Once completed, the outcome of the review may have an effect on the fees indicated for 2021-22 and 2022-23. If this is the case a further letter will be issued.

If you have any queries about this letter, please contact Elizabeth Lockwood, Head of Improving Outcomes for Looked After Children Branch (03000 257382)

Elizabeth.Lockwood@gov.wales

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alistair Davey'.

Alistair Davey *MA Chartered FCIPD*
Deputy Director – Enabling People