



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

12 January 2017

Dear Colleague

## **NATIONAL MINIMUM ALLOWANCES FOR FOSTER CARERS 2017 - 2020**

### **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 2017.

### **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 2017 and are the minimum rate providers give their carers and do not preclude providers paying higher rates. Following the publication on the 23 November 2016 of the Office for Budget Responsibility's forecasts for average earning, we have set the allowances for 2017-18 onwards.<sup>1</sup>

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<sup>1</sup> 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. It is 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.

<b>Recommended national minimum weekly allowance rates up rated in line with the Office for Budgetary Responsibility forecasts for growth in earnings</b>			
<b>2017/2018</b>			
<b>Age of child (years)</b>	<b>0-4</b>	<b>5-15</b>	<b>16+</b>
Maintenance allowance for on-going costs	<b>£170</b>	<b>£155</b>	<b>£194</b>
<b>2018/2019</b>			
<b>Age of child (years)</b>	<b>0-4</b>	<b>5-15</b>	<b>16+</b>
Maintenance allowance for on-going costs	<b>£175</b>	<b>£159</b>	<b>£199</b>
<b>2019/2020</b>			
<b>Age of child (years)</b>	<b>0-4</b>	<b>5-15</b>	<b>16+</b>
Maintenance allowance for on-going costs	<b>£181</b>	<b>£165</b>	<b>£206</b>

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 2017, 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).

If you have any queries about this letter, please contact Huw Gwyn Jones, Senior Policy Manager, Improving Outcomes for Looked After Children Branch (02920 823049 [huw.jones2@wales.gsi.gov.uk](mailto:huw.jones2@wales.gsi.gov.uk)).

Yours sincerely

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

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