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

(copystyle recipients see separate list)

October 2013

Dear Colleague

NATIONAL MINIMUM MAINTENANCE ALLOWANCES FOR FOSTER CARERS
2014 - 2017

Purpose

This statutory guidance sets out the recommended national minimum maintenance allowances for foster carers in Wales which should be implemented from 1 April 2014.

Background

The Welsh Government introduced the National Minimum Allowances (NMA) for Foster Carers from 1 April 2011 and set rates until 31 March 2014. The NMA was based on research undertaken by LE 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.

Allowances

The recommended national minimum maintenance allowance is a term used to describe 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.
The national minimum maintenance allowance is intended to provide a safeguard for foster carers. Whilst we expect variation above the minimum to continue and do not expect any fostering service to lower its allowance in response to the establishment of the national minimum maintenance allowance.

The national minimum maintenance allowance is capable of application 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 what the recommended minimum maintenance allowance rates for foster placements in Wales are, 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 |
| --- | --- | --- |
| 2014/2015 | Age of child (years) | 0-4 | 5-15 | 16+ |
| Maintenance allowance for on-going costs | £153 | £139 | £175 |
| 2015/2016 | Age of child (years) | 0-4 | 5-15 | 16+ |
| Maintenance allowance for on-going costs | £159 | £145 | £182 |
| 2016/2017 | Age of child (years) | 0-4 | 5-15 | 16+ |
| Maintenance allowance for on-going costs | £166 | £151 | £189 |

The basic maintenance allowance is only sufficient to meet the regular general costs of most foster placements. It 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 2014, to ensure transparency in fostering allowance rates it will be necessary for all fostering service providers:

- To publicise their allowance rates
- To take the necessary actions to ensure current and potential foster carers are aware of the rates including by making the information available on websites.
- Rates are recorded or accessible on the Children’s Commissioning Support Resource (CCSR).
- Allowances must be clearly separated from fees (the ‘reward element of fostering payments).
Action – Welsh Government will;

- Continue to monitor progress of the minimum maintenance allowance to ensure that every provider and;
- Review the rates every 3 years.

Financial Implications


The guidance is issued under section 7 of the Local Authority Social Services Act 1970, which requires that Local Authorities, Local Health Boards and Health Authorities in Wales in exercising their social services functions, must have regard to the general guidance of Welsh Ministers; unless there are exceptional reasons local authorities must follow the requirements set out in this guidance.

Annex *1* provides detail of the methodology used and the everyday costs which should be included in the minimum maintenance allowance.

Further information is available from Robert Hobbs, Regulated Settings Team (02920 823307) – Robert.Hobbs@Wales.GSI.Gov.UK

Yours sincerely

Alistair Davey  MA Chartered FCIPD
Deputy Director
Delivering Policy for Children & Adults

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* 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 A2.5.1 of the LE Wales Report