



FOSTER CARE ALLOWANCE 2024-25



Derby City Council

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Allowances for Foster Carers

Foster carers are paid allowances rather than salaries – this means that although you should inform the Benefits Office and tax authorities that you are a foster carer, your state benefits (Universal Credit) and your tax position will not usually be affected – please see HMRC’s Foster Care Relief fact sheet for more information.

Weekly Allowances

All approved foster carers will receive the weekly allowance:

Age	Allowance
0-4	£170
5-10	£187
11-15	£225.69
16 -18	£274.56
‘Staying Put’ and ‘Supported Lodgings’ Carers	£274.56

Regular Allowances

Age Group	Festivity Allowance	Birthday Allowance	Holiday Allowance
0-4	£340	£170	£340
5-10	£374	£187	£374
11-15	£426	£213	£426
16 -18	£498	£249	£498

Foster care allowances are paid on a weekly basis and will be by Bacs Transfer made directly into your bank or building society account. If you are currently being paid by cheque and would prefer payment by Bacs Transfer please contact Julie Greenhough on 01332 642683 to request a bank form. Payments are always made in arrears, and cover the number of days a child spends in a foster home. Payments will be made on Thursday/Friday of each week.

Our Recommended Components of Foster Care Allowances

Age Group	Food	Clothing	Transport	Personal Allowances	Recommended Minimum Savings Allowance	Household	Total Allowance
0-4	£57.35	£31.59	£20.45	£8.92	*£3.00	£51.68	£170
5-10	£60.24	£42.11	£20.51	£13.41	*£3.00	£50.73	£187
11-15	£72.44	£48.07	£33.98	£19.13	*£4.00	£52.07	£225.69
16 -18	£84.17	£57.69	£34.25	£38.16	*£8.00	£60.28	£274.56

*Recommended minimum saving amount should be taken from the weekly Personal Allowance.

The amount for Personal Allowances includes a component for a recommended minimum amount for savings. The Savings Account should be agreed as part of the placement agreement between the child's social worker, the foster carers, the fostering social worker and the child, if old enough to participate.

Savings

There is an expectation that all children will leave care with some savings that reflects the period of time they have been looked after. There should be discussion between the child's social worker, the foster carer and the supervising social worker as to how savings will be made. It is expected that all children will have a Junior ISA which is a long-term, tax-free savings account and that the minimum amount of savings as indicated in the allowance table, is paid into their trust fund or Junior ISA. Savings must travel with the child or young person in a timely manner when placement changes occur.

Regular Allowances Rates detailed in regular allowance table

Birthday Allowance

Birthday allowance is paid automatically two weeks before the child's birthday.

Festivity Allowance

Festivity allowance will be paid for each child who is with foster carers in November each year.

Holiday Allowances

The holiday allowance per child will be paid automatically towards the end of May. Some adjustments will be made in the event of a change in the number of children in placement.

As a general rule, the following will apply:

- Payments are made in May based on the number of children in placement at that time. If the child/ren leaves placement during the year and is not replaced by another child, a proportion of the holiday allowance will be reclaimed.
- The allowance is based on carers providing the children in their care with two weeks' holiday, or equivalent to this, and Carers will be expected to evidence that this has occurred.

Recognition Payments to Foster Carers

Foster carers qualify for long service payments of £250 after five years and £500 after ten years and ongoing at five year intervals. A bonus payment is made each year following 12 months approval. This is subject to a positive recommendation for re-approval by the Fostering Panel at the foster carer's annual review and is dependent on completion of required training and standards and having a full time placement for at least 6 months of the previous year. A proportion of the bonus will be paid to foster carers who cease fostering part way through the year unless de-registration as

a foster carer was due to child protection concerns. Payment should be received approximately one month after re-approval, following ratification of the decision to re-approve by the agency decision maker. The rates for 2023 - 24 are £1,000 for carers available on a full time basis and £500 for short break/respice carers.

We know from research that foster carers are the best source of recruiting new foster carers. When a recommendation from an approved Derby City foster carer generates a newly approved fostering household who are providing full time care, you will receive a recommendation payment of £1000. In addition to this we will also pay £500 if the new carers are approved for sibling groups of two or more children, a child with disabilities or a single child aged seven or over. If you know of someone suitable who is interested in becoming a foster carer for Derby City please let your supervising social worker know that you have recommended them under the Refer a Friend Scheme.

Payment for Skills

Additional financial support is available for foster carers who meet the criteria for our payment for skills scheme. The scheme operates on four payment bands and is paid per child, per week:

Band	Payment
A (approval payment)	£80
B	£130
C	£180
D	£230

Band A will be paid immediately after approval when the first child is placed.

Band B will be paid after a carers first annual review when all training standards and mandatory training will need to have been completed to be awarded the payment.

Carers can only progress to band C or D every 2 years. Completing training outside of your agreed band will not allow you to move more quickly between bands.

Carers who progress to Band C and D would be caring for children with complex needs.

In exceptional circumstances or for specific children, eg UASC, disabilities, or financial hardship, discretionary payment can be agreed outside of a carers normal band for the duration of that placement.

For all carers, the expectation is that each foster carer completes a minimum of 10 hours training each year, including regular refresher training in areas like Paediatric First Aid.

Specialist Foster Carers Scheme

Derby currently has two specialist schemes which fall outside of the normal fee and skills bands.

Fostering Plus For children stepping down from residential or hospital care: £500 a week skills payment, plus all normal child allowances.

Parent and Child A payment of £700 per week will be paid but with no additional allowances.

Respite Care

We recognise that foster carers may require respite and all approved foster carers will be entitled to full fostering allowances and fees (if applicable) for up to 21 days in any one financial year when their foster child/ren are in respite care. It is anticipated that this will provide sufficient respite for most carers. The local authority would expect that foster carers prioritise the needs of their foster child/ren when requesting respite and consider Delegated Authority arrangements. If carers do not take their respite allowance, there will be no financial compensation.

Should additional respite be required, this can be agreed, but the respite carer only will be paid for this additional time. The main carer will not receive any fees or allowances, in order to put a reasonable limit on 'double payments' to two carers for the same child.

Part days will be rounded up to a full day in terms of calculating respite entitlement.

Delegated Authority

Wherever possible, foster carers should identify somebody within their family and friends support network, who will become their delegated authority support carer.

Following checks and a short assessment of suitability, the support carer would be entitled to a basic fostering allowance dependent on the child's age, for up to 21 days paid respite a year. The foster carer will receive the additional allowance and will be expected to pay the delegated support carer. All decisions about children staying away from their main placement must be shared with the child's social worker and the carer's supervising social worker beforehand. Part days will be rounded up to a full day in terms of calculating entitlement. Please read delegated authority carer policy for more detail.

IT Equipment

Foster carers who need help to provide computer and internet access to children of school age placed with them can apply via their supervising social worker for financial assistance. Foster Carers will be responsible for internet security and maintenance. Training on internet safety and social networking is provided by the Council. Please discuss this with your supervising social worker if you feel this would benefit a child in your care.

Day Care Payments to Foster Carers

A foster carer offering day care facilities to a looked after child placed with another foster carer will be paid one seventh of the weekly allowance, depending on the age of the child, per day.

Free Child Care and Education

Derby City Council want to make sure foster parents have the option of being able to work on top of their caring responsibilities, where it works for them and the children they care for. For many, this could make the difference between being able to foster or not, so it's absolutely right that we support them with this challenging but rewarding role.

Derby City Council are a foster friendly employer and carers working for the Council will be given additional leave in the assessment process, and each year thereafter to support them in their role.

All 2 year olds in England can receive 570 hours of free early education or childcare per year. It's usually taken as 15 hours a week over 38 weeks of the year.

The Department for Education in September 2018 increased the amount of free childcare for 3 and 4 year olds to 30 hours per week. All childcare arrangements need to be fully discussed with the child's social worker.

Attendance at nursery is only agreed as part of the child's care plan where it is recognised this is in the child's best interest. Nurseries will need to send their invoices to Fostering Services, 1st Floor, The Council House, Corporation Street, Derby DE1 2FS. For further advice regarding these payments, please contact your fostering social worker.

Short Break Scheme

Short break arrangements are for disabled children living in the community. Carers providing short breaks will be paid for up to 14 days for any one period, after which fostering allowances will be applicable.

Day	Night
£45.06	£18.33

Carers who regularly look after the same child under the Short Break Scheme will receive an amount of £10 for birthdays and £10 for festivities.



Absences

Regular home leave, residential schooling etc.

Allowances paid on a pro-rata basis with agreement by a senior manager (such as, residential school – five days, weekend foster care - two days, payment would be 2/7 of the full basic weekly allowance). When a child is in hospital, full allowances may be paid for up to four weeks. Carers will continue to be paid allowances for a child missing from their placement until a formal decision is made to end the placement.

Additional Allowances

School Clothing Allowance

This allowance, which is equivalent to one additional payment of the basic weekly foster care allowances, is payable to foster carers at the time the child in their care transfers from primary to secondary school, or where the child has to change secondary school. It is not normally payable for a child in primary school. Foster carers should claim this allowance via their fostering social worker.

Independent Holiday

One annual holiday with school or another reputable organisation will be paid by the Department. There will be a maximum payment of £300 per year. Applications for this payment will be made via your fostering support worker

Initial Clothing Allowance

To be agreed and authorised by the Fostering Manager up to a maximum of the following rates. Receipts must be provided for items purchased in an emergency. The purpose of the allowances is to provide emergency clothing for child/ren who have just entered the care system and the component from the fostering allowance should be used for maintaining the child's clothing supply.

Claims should be made within the first six months of placement.

Age	Allowance
0-4	£318.28
5-10	£362.58
11-15	£451.36
16 -18	£549.09

Special Allowances

Special allowances can be paid to meet exceptional or unexpected expenditure relating to a foster child. Applications for special allowances must be made through your fostering social worker.

Equipment for Foster Households

Health and Safety equipment is regarded as essential to meet the requirements of the Home Safety checklist. The provision and purchasing of equipment must be agreed by the Fostering Manager prior to purchasing. Equipment bought without prior agreement may not be reimbursed. A guide to the maximum amount that can be claimed per item will be provided to you by your supervising social worker. Items can be purchased from any supplier.

Disability Living Allowance

Some children under 16 years of age in care qualify for Disability Living Allowance (DLA). The child's social worker, fostering social worker and foster carers should always discuss at least annually whether the child might meet the criteria. The claim will be made by the foster carer with information contributed by the social workers and other professionals working with the child.

Any allowance is paid to and is the responsibility of the foster carer, however the child is in the care of the Local Authority (LA) who have an interest in ensuring the DLA is used appropriately to support the child/ren and enhance life experiences.

All foster carers should keep a separate bank account and record book of each child's DLA payments. The DLA agreement should be completed and used for this purpose. Foster carers should discuss with the child's social worker and fostering social worker what plans they have for spending the DLA. The discussion should be recorded in the child's logs and included in the foster carer's annual statutory review. The record book should indicate what activities or items have been purchased and/or money has been saved for the child. Any savings must travel with the child when a change of placement occurs. It is the Foster Carers responsibility to inform DLA.

The records will support the carer in evidencing how they have used the money to promote the best interests of the child. The foster carers will give the record book and any balance remaining to the child's social worker when a placement ends. Personal Independence Payment (PIP) has replaced DLA for children aged 16 and over.

Departures

When a child leaves a foster home, foster care allowances will cease on the last day that the child spends in the foster home.

Overpayments

The payment system by which we process the Fostering Allowances has now changed to Controc. Please check your allowances to ensure correct payments are being made and advise us of any errors. Overpayments will be recovered from any available allowance until the total amount is reclaimed. For carers who have no further children with them at the time the overpayment occurs, an invoice will be issued to recover the overpayment. Please do not send personal cheques until an invoice has been received.

Staying Put Arrangements

Guidance has been issued by the DfE, DWP and HMRC (2013) regarding the arrangements for Care Leavers aged 18 years and above to remain living in their former foster home. The intention of Staying Put Arrangements is to ensure that young people can remain with their former foster carers until they are prepared for adulthood, can experience a transition akin to their peers, avoid social exclusion and be more likely to avert a subsequent housing and tenancy breakdown.

The term “arrangement” should be used rather than “placement” as the Local Authority is no longer making a placement but facilitating a Staying Put Arrangement for a young person.

Planning for a Staying Put Arrangement should be considered and incorporated into the Looked After Review/Pathway Plan from the age of 16 years. Independent Reviewing Officers are aware of these new arrangements for care leavers and Fostering Network have campaigned the Government to change the law to allow young people to stay with their former foster family until they are 21.

Following the young person’s 18th birthday the legal basis on which they occupy the property changes (the legal term is that the young person becomes an “excluded licensee” lodging in the home).

A “living together agreement” should set out all the practical arrangements regarding the young person. The agreement should cover any additional responsibilities and changes that the young person may request due to no longer being in care. Financial contributions should equate to the current weekly allowance for 16-18 year olds although this will be made up of different components set out in the ‘living together agreement’.

A Staying Put Policy and procedures relating to this have been developed and further guidance on the criteria, legal status, and the financial implications for former carers and young people is available. If you are currently caring for a young person aged 16 years of age or over and feel you require further advice please ask your supervising social worker or your child’s social worker.

Supported Lodgings Carers

Supported Lodgings carers are approved to care for young people aged 16-21, and similar to Staying Put carers, will receive allowances equating to the weekly allowance for 16-18 year olds. The payment can be made-up of different components set out in the living together agreement.

Young People not in Education, Employment or Training

Important - Please notify your social worker and the child’s social worker immediately if your foster child leaves school, starts work, a work placement scheme, or college.

Conversion to an Adult Placement

Where a young person is eligible for Adult Services, plans may be made to convert a foster carer into an Adult Placement provider for that particular young person, currently known as a Shared Lives Arrangement. Conversion will normally take place at the point that the young person becomes 18 years of age but the process must start much earlier to ensure a smooth transition. The Preparation for Adult Team undertakes the assessment for the young person.

Foster Care and Tax

This is a complex area and we pay for all our carers to have membership to the Fostering Network. Foster carers are advised to seek financial advice with regards to their own individual position.

Information from HMRC

Foster Carers are contracted by local authorities to provide foster care to children and young people placed with them. If you receive income in this way you are treated as self employed and are responsible for your own income tax and National Insurance contributions. You will need to work out your income, expenses (qualifying amount) and taxable profit as foster carers. HMRC website guidance was updated in April 2022. HS236 Qualifying Care Relief covers guidance for foster carers completing a self assessment. Please visit www.gov.uk and search 'Qualifying Care Relief' to find out more.

Income from Foster Care

This is the total of all your gross payments/receipts for the foster services provided. For example – mainstream payments, additional payments, fees, mileage allowances, reward payments, retainers, birthday, holiday, clothes allowances – you must include all payments.

The qualifying amount is made up of two parts:

- a fixed amount (£10,000 for each household for 2023/24). If two or more carers in the same household receive allowances separately, they will share the £10,000 equally. If you are a registered foster carer for less than a full year you can claim a suitable proportion of your fixed amount, and
- an amount per week, for each child placed with you (£200 a week for a child under 11 and £250 a week for a child aged 11 or older for 2023/24).

An example of this is shown below:

A carer provides foster care to one 11 year old for the whole of the year and to one eight year old for ten weeks of the year. No other foster carers live in the house. The carer's qualifying amount will be made up as follows:

Qualifying amount - £10,000 per household	
Children under 11	£200.00 per week
Children over 11	£250.00 per week

Please keep your records of all payments received from the Local Authority.

Home Responsibilities Protection

This is no longer available (as of April 2010) and has been replaced by new crediting arrangements that enable carers to build up entitlements to certain state benefits and national insurance.

For credits and HRP you will need a letter from the local authority confirming you were an approved foster carer throughout the accounting period. This letter is automatically sent out by the Fostering Service at the end of each financial year. Further useful information can be found online at www.hmrc.gov.uk

Mileage Claims

Foster carers can claim 45p per mile for journeys undertaken in the following categories:

- transporting a child to or from home for contact / respite / admission / discharge
- transporting a child to or from appointments with professionals, e.g. CAMHS, hospital, court
- home to school transport - carers can claim for any mileage over 3 miles in each trip to and from school.
- carers attendance at training or reviews.

In order to claim mileage you will need to complete a Foster Carer Mileage Claim Form. This can be obtained from your fostering worker. The form is then returned to your fostering worker. Mileage claims should be submitted monthly. Claims dating back more than six months cannot be guaranteed reimbursement.

Insurance Costs

There is potential for damage or loss to be caused to property belonging to foster carers. We strongly advise carers to have their own insurance for building and contents.

In the first instance of damage being caused by a child placed with foster carers, the foster carer should claim through their own insurance. Carers should notify their own insurers that they are engaged in fostering.

Where loss or damage is attributable to a foster child, this should be reported to your social worker and a claim form will be sent to you. The claim form should be completed and returned to Children and Young People's Department (address page 14). It is vital that details of the incident and the completed claim form are passed to the Finance Section as soon as the incident occurs.

If we do not receive notification within 30 days the claim may be refused. Your social worker should observe the damage wherever possible.

Foster carers should have fully comprehensive insurance on any vehicle they use to transport foster children OR they should make sure that, where they have only third party cover, they have informed their insurer that they are foster carers. An additional premium may be charged, as their insurer may require the carer to have 'business use' cover.

Vehicles owned by carers are not covered by Derby City Council's Insurance Policy.

Please note that a claim through the Council's Insurance Company can only be made if your home insurance does not cover the damage.





Refer a Friend Scheme

When a recommendation from an approved Derby City foster carer provides a newly approved fostering household, you will receive a recommendation payment of £1000.

In addition to this we will also pay £500 if the new carers are approved for sibling groups of two or more children, a child with disabilities or a single child aged seven or over.

If you know of someone suitable who is interested in becoming a foster carer please let your supervising social worker know that you have recommended them under the Refer a Friend Scheme.

**We can give you this information in any other way,
style or language that will help you access it.**

Please contact us on: 01332 642683

Minicom: 01332 640666

**If you have any queries about the allowances being paid to you,
please telephone the Finance Section on 01332 642683**

**Copies of any forms referred to in this leaflet can be obtained from the
Fostering Service 01332 643867**

**Please send any correspondence or returned cheques to Julie Greenhough
julie.greenhough@derby.gov.uk**

**Community Care Charging and Support Team, People Services Directorate,
The Council House, Corporation Street, Derby DE1 2FS**

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