

Decision Report

Forward Plan Reference: Non-Key Decision

Decision Date – 3rd April 2025

Key Decision – no



Fees, Allowances and Charges 2025/26

Executive Member(s): Cllr Heather Shearer - Lead Member for Children, Families and Education

Local Member(s) and Division: N/A

Lead Officer: Jayne Shelbourn-Barrow, Service Director, Children and Families and Daniel Moncrieff (Head of Service, Fostering)

Author: Jayne Shelbourn-Barrow, Daniel Moncrieff & Rachel Reid (Finance Manager)

Contact Details: daniel.moncrieff@somerset.gov.uk, rachel.reid@somerset.gov.uk

Summary

1. Somerset Council reviews its allowances, fees, and charges payable for children in care and in lodgings on an annual basis to ensure they are sufficient to meet the needs of a child in their home while in our care or as they leave care.
2. Recruiting and retaining foster carers remains a key priority to ensure we have sufficient homes for children who are unable to live with their birth families.

Recommendations

3. The Lead Member for Children, Families and Education agrees the Children's Social Care allowances, fees, and charges for 2025/26 (as set out in Appendix A), based on the current formulae for calculating allowances; an average of 3.55% increase across fees and allowances from 1st April 2025. The increase to charges for social worker time, when undertaking work on behalf of other authorities reflects the increased cost of travel and overheads.

Reasons for recommendations

4. Foster carers' payments for the costs associated with the care of children they look after on behalf of the Council, are reviewed on an annual basis and take note of the Department for Education recommendation of increases to reflect inflation and the rising costs of caring for a child (this year the minimum rate for fees and allowances has been increased by 3.55% by the Secretary of State).
5. During 2024/25, there was a net gain of 2 foster carers, meaning that the Council now supports a total of 150 carers as of 1 April 2025 (estimate based on data on 27.1.24). The Children's Services Transformation Plan 2024 –27 sets a target to achieve a net increase of 10 additional foster carers each year for the duration of the plan. This recommendation also supports the 2025/26 MTFP target of 5

children either moving from residential to foster care or avoiding residential care entirely due to increased availability of carers. It is anticipated that diverting a net 5 places from residential to foster care will deliver an annual cost reduction of £1,250,000 (to generate this cost saving rather than cost avoidance the assumption is the number of children in our care will not increase).

- Other local authorities surrounding Somerset, and independent fostering agencies are increasing their payments (for example one neighbouring authority is reportedly planning to increase their fostering payments by an additional £1000 a week on top of their existing rate). When we have benchmarked our current payments for 2 children with a carer who receives an enhancement because they are Somerset Fostering Plus carers receives less than some neighbouring authorities.

Context: Our financial Carer support

	11-year-old	15-year-old
Weekly Fees	£198	£255
Weekly Allowance	£237	£240
Weekly Sub Total	£438	£495
Extra Allowances (birthday/festive/summer)	£959	£959
Total per child per year	£23,734	£26,688
Somerset Carer Total for 2 children Per year	£50,421.76	



*Foster Plus carer

*Fostering 2 children throughout the year

*Lots of different fostering arrangements

*Age and 'complexity' related

- For the above situation carers from a neighbouring authority receive £55,000. Comprehensive data on our comparative offer with other local authorities and IFAs is outlined in appendix B (we are routinely just under 10% lower in our fees and allowances than some neighbouring authorities. A more comprehensive analysis is outlined in Appendix B. 5 of the 6 neighbouring authorities currently pay more than Somerset. There are some Local authorities which currently pay less than Somerset, such as North Somerset who pay £300 per week compared to our £327 rate for a 12-year-old.
- The fostering service has undertaken significant change in the last 18 months. Promotion and assessment processes have been overhauled. We have improved the monitoring of home placement stability within fostering and are increasing the support available to carers. We recognise that the financial offer could be further enhanced to support the growth in recruitment of foster carers, though this is only one element of fostering support which will help us find more homes for children in our care.

9. Our Fostering Plus programme provides enhanced payments for carers with more experience and training. There is no correlation between complexity of children supported and if a carer is fostering plus carer or not. There is also not a significant difference in stability of homes with Foster plus carers. It would be prudent to increase our base payments for all carers more quickly than our foster care plus payments, so over time they are harmonised. This began last year and is reflected in the draft payment structure in 2025/26. More in depth work will take place to model the effect of harmonising the payment structures, and to develop a fee and allowance structure which may attract more carers and focus on enhanced payments for those with more complex needs. This work will seek to divert more children from residential care to foster care providing better outcomes for them at lower cost. This work has begun in earnest and will include consultation with carers and a business case being developed for early Summer 2025. There is a risk that if we only provide a 3.55% increase and do not undertake a further review, and implement further measures to improve the offer to foster carers, foster carer numbers could follow national trends of decline. The proposed fees within this paper are a first step on this journey.
10. Currently we pay an allowance which reflects the child's age being fostered (like other Local Authorities and Independent Fostering Agencies) and an allowance which is usually based on the level of experience and training which carers have undertaken (either our base rate or an enhanced rate of 'Fostering Plus'). If we continue to merge these rates, then this could be replaced with a fee based on the 'complexity' of need presented by the child. A method such as 'Valuing care' could be used to undertake a strengths-based assessment of factors such as education engagement, support the child needs to manage their behaviour, additional medical needs etc...
11. Through the first part of the 2025/26 financial year we will explore a payment structure which reflects this approach and consult with our foster carers and wider services on this approach. We have already begun this work by agreeing principles of change including:
 - We recognise that carers are not primarily motivated by payments, but carers should be adequately supported.
 - Carers should not be 'worse off' if we change payment structures (this means changes may take longer to introduce, and transition arrangements may be more complicated if we change our payment structures).
 - We want to invest in fostering provision. There was an average increase of 5.5% in 2024/25, and we are aiming to have 3.55% increase for 2025/26.
12. This review would also include consideration of respite payments. Currently carers access support with other carers providing overnight stays for up to 21 nights a year without it impacting on their payments. We will consider 3 options:
 - Remain with our current arrangement.
 - Pay a 'bonus' if carers do not use other respite.
 - Paying an additional 4.8% on our fees and allowances, but then not make any payment for each night of overnight stays with other carers.

In the latter two options we would not need to pay for other carers for extra overnights, so it would have roughly a net zero cost and free up other carers to provide primary care for our children.

13. Through the latter part of 2023 and through 2024 the Fostering Service has been focused on improving the support available for carers. By better supporting our carers, stability for the homes they have with carers will improve, and with it, outcomes for our children. Also, it will aid foster care retention as the second biggest reason given for carers deregistering (after carers retiring due to age) is linked with fostering breakdowns where a child has left a foster carers home in an unplanned way. A key strand of this work is Mockingbird support, where a hub home carer provides significant support for their 'constellation of 6-10 carers, through planned overnight stays with the hub carer, day support, emergency overnight support and monthly activities for the constellation. The scheme is facilitated by the *Fostering Network*.
14. Mockingbird hub home carers receive one payment to cover all these services (as a fee and allowance fostering payment of £29,000 per year). The income for this has been covered through a DfE grant over the last 2 years, and it has been agreed to transfer over £100,000 of this income to 2025/26. A further £40,000 grant from the DfE for 2025/26. These combined, cover the costs of two Mockingbird hub home carers and a liaison worker through 2025/26.
15. Increasingly foster carers are undertaking training in advance of going to Panel. Historically much of the fostering training carers would undertake was completed once they registered as carers. This creates a delay in children being placed in their homes. We only pay for foster carers time to undertake training once they are registered. In recompense for the increase in training being undertaken in advance of Panel, carers it is recommended that carers receive a £200 'welcome'. This acknowledges the significant efforts needed in both completing training and the assessment process and mirrors welcome payments provided by Independent Fostering Agencies (IFAs).
16. Currently we pay a different fee rate depending on whether someone has a second and third child. This means for the first child a carer is paid £87.88 per week (198.33 for Fostering plus carers) and for the second child there is an additional £117.54 per week. (£255.15 for fostering plus). To simplify this system the proposal is to increase the initial child payment to £107 per week, and a second child would lead to second payment of £107 (and the same for the third child). The Fostering plus standard rate for each child would be £235. This would significantly simplify our complex payment structure. A comparison of the total fee payments is included in the 2025-26 fees structure in appendix B.
17. In addition to fee carers are paid an allowance (between £168.92 and £291 per week based on the age of the child). The proposal is to increase the fees by 3.55% in line with our average budgeted increase, apart from our payments for 16+ year olds which remain unchanged from the 2025/26 level as these are already higher than the 11-15 year old category (where we most struggle to find

carers) and this difference would help fund the enhanced rate for the allowances for carers with one child outlined above. This is noted in detail in appendix A.

18. Where carers are Fostering Plus carers, part of the commitment towards this enhanced payment is supporting the service by providing support to the wider service which should usually include activities such as mentoring new foster carers, supporting recruitment as an ambassador and leading on Community support for carers. Where carers are not Foster Plus carers, and they support these activities we propose offering payment for these at the same rate as day care provision.

Other options considered

19. Where we are part of a highly competitive market, including independent fostering agencies. If the rates were not increased some foster carers may choose to move to independent fostering agencies. These agencies incur greater cost to the Council and will reduce the number of foster carers we have for our children. Whilst foster carers are not employed staff, we recognise the valuable contribution they make to the lives of the children we care for and in recognition of this we endeavour to match percentage allowance and fee increases with likely staff pay rises.

Links to Council Plan and Medium-Term Financial Plan

20. The proposed changes will help to contribute towards:

- Providing sufficient foster homes to protect our most vulnerable children.
- Enabling children to live with their foster carer, as long as this is needed.
- Recruiting more foster carers to ensure that we have enough foster carers available to care for our children.

21. The financial impact of a 3.55% increase for these rates is built into the MTFP for 2025/26 onwards.

22. The aim of the proposed increases is to maintain and improve the current level of support to Somerset foster carers and to assist in the recruitment and retention of foster carers.

Financial and Risk Implications

23. The financial impact of these rate revisions is an additional £377,700 per annum. An increased budget of this amount was built into the Children's Services base budget in the Medium-Term Financial Plan for 2025/26.

24. There is a risk that the proposed fee increases will not be significant enough to increase carer numbers and meet the needs of our children in our care who need good quality caring homes. This is mitigated by the wider foster carer transformation work currently underway and the commitment to undertake a

further review of fostering payments, which will fully assess the future options around improving the financial and non-financial support for foster carers which may include enhancing fees for specialist and complex fostering in order to reduce reliance upon residential provision.

25. There is a risk to the Council that by not reviewing and increasing its rates it will not be able to recruit and retain in house foster carers leading to a potential reduction of in-house foster carers, increasing dependency on external agencies at an enhanced rate. This decision mitigates this risk by ensuring that the fee rates remain fit for purpose. We have assessed the risk score as follows:

Please enter risk description					
The risks set out below are the current risks faced by the council, with the scores reflective of the inherent position, without mitigation. The outcome of this report will determine what risks are subsequently carried forward from which mitigation will be applied.					
The risk that not increasing fees and allowances will lead to increased cost of homes for children in our care, by requiring the use of external fostering providers. There are currently insufficient independent foster homes.					
The average cost of a residential home is currently approximately £7,200 a week, compared to independent and Council fostering costs which range on a continuum from £750 to £1,800 a week.					
The base budget for externally provided homes for our children in care will not be sustainable without maintaining (and increasing) our current Council foster carer group.					
Likelihood	4	Impact	4	Risk Score	16

Legal Implications

26. There are no legal implications arising from this decision in respect to fees and allowances.

HR Implications

27. There are no HR implications as foster carers are not employees. It is worth noting Mockingbird carers are paid as foster carers, and this is in line with Fostering Network advice and guidance.

Other Implications:

Equalities Implications

28. Fees and allowances - no equalities impact as allowances will be increased for all foster carers. Charges - no equalities impact as financial assessment is undertaken to ensure families can afford to contribute to cost of foster care. Children in our care - are less likely to be able to live in a family home with foster carers, locally in Somerset if allowances are not increased as recommended, as foster carers may cease fostering due to financial pressures in their household or move to independent agencies. Equalities Officer has been consulted who stated a full equalities impact assessment does not need to be completed in light of the decision paper content.

Community Safety Implications

29. No safety implications.

Climate Change and Sustainability Implications

30. No sustainability implications.

Health and Safety Implications

31. If these recommendations are not approved:

- foster carers may move to other fostering agencies or stop fostering.
- Somerset children therefore cannot live with Somerset Council foster carers
- children in our care may have to live outside the county and
- there is likely to be a detrimental impact on their emotional well-being.

32. Health and Wellbeing Implications

33. Not applicable.

34. Social Value

35. Not applicable.

36. Scrutiny comments / recommendations:

37. The proposed decision has not been considered by a Scrutiny Committee.

38. Background

39. Background information is provided within paragraph 1.

Background Papers

Appendix A – description of allowance, fees, and charges, detailing 2022/23 rates, 2023/3024 rates, 2024/2025 rates and proposed 2025/26 rates.

Assurance checklist

	Officer Name	Date Completed
Governance Implications	Scott Wooldridge	23.3.25
Legal Implications	Jill Byron	21.3.25
Finance & Procurement	Nicola Hix	26.3.25
Workforce	N/A	
Asset Management	N/A	
Executive Director	Claire Winter	21.3.25
Executive Lead Member	Heather Shearer	21.3.25
Consulted:	Councillor Name	
Local Division Members	n/a	
Opposition Spokesperson	Frances Nicholson	21.3.25
Scrutiny Chair	Leigh Redman	23.3.25

Appendix A: proposed fees and allowances – see attachment

Appendix B: Financial analysis