

North Lanarkshire Council Report

Education Children and Families Committee

Does this report require to be approved? Yes No

Ref AG/FS/NM Date 03/03/26

Foster Carer Fees and Allowances

From Alison Gordon Chief Social Work Officer (Children, Families, Justice, and Integrated Practice)

E-mail gordonal@northlan.gov.uk **Telephone** 01698-332001

Executive Summary

This report provides information to Committee on current arrangements for the payment of fostering allowances and fostering fees and seeks approval for changes to the fostering fee structure. These changes aim to better reflect the expectations of carers and the skills they bring to the role and in doing so also to support recruitment and retention of foster carers who provide both temporary and permanent care for children and young people.

Foster carers are entitled to both allowances for the support and maintenance of children in their care and a fee for the foster carer. In 2023 the Scottish Government and COSLA agreed the introduction of the Scottish Recommended Allowance (SRA) for foster care allowances with arrangements for its introduction set out in a report to Committee in November 2023. Updated information on the SRA and the payment of allowances is referenced in this report to provide a full picture of the financial support for fostering.

There is no equivalent national arrangement for fostering fees with arrangements varying across Scotland. In the context of this and ongoing national and local challenges with respect of foster carer recruitment, the service has undertaken a review of our current fee structure and is proposing a move from the current three level arrangement linked to a competency scheme to a core fostering fee. In parallel with this the service also continues to engage with carers to further improve non-financial supports recognising the criticality of their role in meeting the needs of children and young people experiencing care in North Lanarkshire.

Recommendations

It is recommended that Committee

- (1) Approve the implementation of a standard fostering fee and cessation of the current competency scheme as detailed in paragraph 2.4 below.

The Plan for North Lanarkshire

Priority	Support all children and young people to realise their full potential
Ambition statement	(10) Engage with children, young people, parents, carers, and families to help all children and young people reach their full potential
Programme of Work	Resilient People

1. Background

- 1.1 **Fostering allowances** are paid to individuals and families who are registered as foster carers under the Looked After Children (Scotland) Regulations 2009 when a child, who is care experienced away from home, is placed in their care. The allowance is awarded to meet the costs of the child they are caring for, with payment rates linked to the age of the child or young person.
- 1.2 Local authorities across Scotland continue to pay varying allowances and fees to foster carers. The SRA, introduced in 2023, sets an effective minimum allowance which should be paid to foster and kinship carers across Scotland although there remains local discretion in how this is implemented, for example through a single weekly payment or component parts. It is intended to ensure that the children in fostering, and kinship care get the support they need to thrive and to ensure allowances paid across the country meet the core costs of caring for children. Both kinship and foster carers receive the SRA, with payments to the kinship carers adjusted to reflect child related benefits which are not payable to foster carers.
- 1.3 An uplift to the SRA was made in 2025/26 with local rates amended and backdated in line with the new rates, Appendix 1 details current weekly allowance rates for information.
- 1.4 In addition to core weekly allowances foster and formal kinship carers in North Lanarkshire receive payments equating to an additional 4 weeks of allowances per year to support Birthday, Summer, and Christmas expenses for children and young people experiencing care.
- 1.5 Discretionary fostering payments are also made to foster carers, which may include payments for mileage, furniture, bedding and equipment for babies and toddlers, most commonly where this may be required to support the needs of a child at the start of a placement or other specified needs.
- 1.6 These payments made in addition to core allowances are intended to support foster carers in providing a positive care experience for the children and young people in their care.
- 1.7 On the 23rd of December 2025 a ministerial statement was issued referencing that an independent review undertaken in 2024 had found the SRA has improved standardisation of support across Scotland but highlighted areas for further improvement. The statement reflected an intention to work with COSLA, carers, and stakeholders to address these findings and shape future foster and kinship care policy.

- 1.8 **Fostering Fees** are also paid to individuals and families who are registered as foster carers under the Looked After Children (Scotland) Regulations 2009 with the fee paid in recognition of the skills, commitment and expectations of carers providing care to non-related children.
- 1.9 Our fostering fees are currently paid at 3 levels linked to a competency scheme for carers introduced in 2006. This approach was previously common within the fostering landscape and was intended to both encourage carers to engage with support and training and to reflect the perceived differences in demands on carers and the skills required in support of individual children.
- 1.10 A number of factors have however led to the service's decision to undertake a review of this approach:
- 1.11 Over the period since the scheme was introduced our experience of the needs of children and young people requiring care away from home has increasingly recognised that all of our care experienced children are impacted by their early attachment experiences, trauma and loss. This has led to an increased demand for all foster carers to be able to provide high quality care and for all to function at a level that can meet the complex needs that children and families often present in these difficult circumstances.
- 1.12 Initial benchmarking with other local authorities with respect to fostering fees has indicated significant variance in approaches to frameworks for the payment of fees but has shown that many have moved away from competence-based approaches.
- 1.13 The acute crisis in foster care recruitment and retention has been widely documented, and the significant shortfall of foster carers is having an impact nationally. Within North Lanarkshire, the number of foster carer de-registrations has exceeded new approvals, placing additional strain on the system and reducing fostering capacity for children of all ages.
- 1.14 In addition to foster care provision by local authorities there are currently twenty-two Independent Fostering Agencies (IFA's) operating within the Scotland. IFAs operate in a market of high demand and will often offer higher financial rewards and other recruitment and retention incentives including tailored supports for carers. IFAs in turn provide an important service to local authorities including North Lanarkshire through the provision of matched placements though at a significantly higher cost than local authority provision. IFAs are however also experiencing recruitment and retention issues.
- 1.15 In summary, the fostering service is becoming an increasingly limited resource due to capacity constraints and reduced recruitment and retention and a fundamental rationale underpinning the need to review the current fostering fee competency framework is the need to ensure it supports the recruitment and retention of foster carers.
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2. Report

- 2.1 As noted above the competence-based foster carers' scheme was introduced by the Council in 2006 with an intention to reflect the valuable role that carers have in supporting children and young people. The scheme recognised varying skills and competencies of the foster carers who developed their skills and competence in a variety of ways dependant on the caring requirements of the children who were living with them. It was expected that all carers would provide evidence that they had continued to build upon their skills, knowledge, application of theory and competency in a variety of ways. This was demonstrated through supervision with their supervising social workers and through evidence within their portfolio.
- 2.2 It is clear however that the parameters of the scheme proved challenging for many of our carers with many very experienced carers finding it difficult to balance the day-to-day demands of care with building a portfolio of evidence which would support progression through the scheme. This has contributed to majority of carers remaining as 'level 1' carers, a pattern which has continued throughout the 20 year life of the scheme.
- 2.3 As significantly as referenced in paragraph 1.10 above it is clear that differentiating the demands placed on carers by individual children has become less valid in a context where there is a requirement for all foster carers to provide trauma informed, relational and restorative care.
- 2.4 Recognising the important and vital work that is undertaken by foster carers within North Lanarkshire, it is anticipated that the proposed fee structure will improve the recruitment and retention of foster carers. This is on the basis that the revised fee structure is considered transparent, equitable, and reflects the expected skills, knowledge, and development of all foster carers within the authority. It is therefore proposed that the committee consider:
- 1) Approval of the proposed fostering fee structure as outlined in Section 2.4
 - 2) Approval the cessation of the competency-based scheme for foster carers
 - 3) Otherwise, review the overall content of the report

2.4.1 Current fostering fee and proposed fostering fee

Foster Carers		Annual Cost of Foster Fees		
Category	No. of Carers	Current	Proposed	Change
Level 1	47	£0.315m	£0.410m	£0.095m
Level 2	11	£0.096m	£0.096m	-
Level 3	3	£0.032m	£0.032m	-
Total	61	£0.443m	£0.538m	£0.095m

- 2.4.2 Based on the current foster carer composition, and as highlighted in the table above, it is anticipated that the proposed change will cost the Council an additional c. £0.095m which can be managed within existing resources.

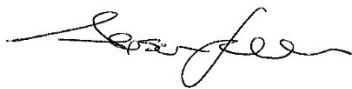
- 2.5 The review process for foster carers will continue to ensure they are able to provide high quality care to children. This is a rigorous process that includes feedback from other professionals involved with the fostering family, feedback from the children, their other significant people, with annual reviews of foster carers independently chaired adding another level of assurance to the provision of high-quality care. Regular sessions with supervising social workers will ensure the quality of care provided remains at a high standard and is scaffolded by the supports available to carers from the carers team.
- 2.6 There are a range of non-financial supports to foster carers to assist them in delivering a high level of care and these include access to learning and development through an annual training calendar, external therapeutic supports, safety and stabilisation work, link worker allocation and support groups. Carers are supported to build peer relationships through group work and mentoring sessions with experienced carers. Crèche facilities are also provided to enable foster carers to access these sessions.
- 2.7 In the context also of the recruitment and retention challenges outlined above it is envisaged that having a standard rate for foster carers fees would work towards improving our recruitment and retention rates for foster carers, with fees transparent and equitable for all carers. This change will also bring our arrangements for fostering fees more closely in line with comparator authorities and average fee rates paid by Scottish local authorities.
- 2.8 Moving forward we will continue to regularly review both financial and non-financial support for foster carers in line with national developments and local needs and in doing so continue to engage with foster carers as key partners/

3. Measures of success

- 3.1 Success will be measured by the retention of foster carers and the continued provision of high-quality fostering for children and young people.

4. Supporting documentation

- 4.1 Appendix 1 – SRA Rates



Alison Gordon
Chief Social Work Officer (Children, Families, Justice, and Integrated Practice)

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>The proposed fostering fee structure is expected to cost an additional c. £0.095m per annum – this cost increase can be managed within the Service's existing resources regarding Family Placements</i></p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>

If Yes, please provide a brief summary of the impact?

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes No

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes No

If Yes, please provide a brief summary of the impact?

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes No

If Yes, please provide a brief summary of the impact?

The rates will be published on NLCs website.

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

The proposal supports the rights and wellbeing of vulnerable children including those impacted by care experience, disability and child protection processes, in line with Articles 3, 12, and 27 of the United Nations Convention on the Rights of the Child (UNCRC). A CRWIA has been completed.

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

Appendix 1

Scottish Recommended Allowance (SRA)

Previous 2023-2024 weekly allowances were:

Age Range	Weekly Allowance
0 to 4 Years Old	£168.31
5 to 10 Years Old	£195.81
11 to 15 Years Old	£202.51
16 Years and Over	£268.41

Current weekly allowances are:

Age Range	Weekly Allowance
0 to 4 Years Old	£171.68
5 to 10 Years Old	£199.73
11 to 15 Years Old	£206.56
16 Years and Over	£273.78

These allowances support daily living for children in foster and kinship care, covering essential costs such as food, clothing, activities, household items, technology access, transport, communication, and key celebration or holiday expense.