

Finances

The following allowance and fees calculations are correct as of April 2024

Fostering Allowances and Fees

An allowance is paid for each child, cared for by a foster carer. The allowance is intended to cover the cost of caring for the child including a proportion of the carer(s) household costs. Allowances are paid fortnightly in advance.

Fees are paid to foster carers who have reached the relevant skill levels and are paid per fostering household per week. Fees are also paid fortnightly in advance.

Level 1 Carers-Do not receive a fostering fee.

As a Level 1 carer you will be paid the basic fostering allowance. The allowance is paid per child per week.

Age	Allowance
0-4 years	£168.31
5-10 years	£195.81
11-15 years	£195.81
16+	£268.41

If you have a 4-year-old and a 7-year-old in placement you will receive a weekly allowance for each child relevant to their age.

Example:

4 yr old-168.31

7 yr old-195.81

Total allowance paid weekly £364.12

Fostering levels 2-4 receive a fostering fee and an allowance per week.

This is paid two weeks in advance

Fostering Levels 2-4	Fostering Fee
Level 2 fee per week for 1 or 2 children	£193.75
Level 2 fee for 3 or more children per week	£225.00
Level 3 fee for 1 or 2 children per week	£287.50
Level 3 fee for 3 or more children per week	£318.75
Level 4 fee	£381.25

Level 2 Carers

As a Level 2 carer you will receive a fostering allowance relevant to the child's age (see table above) plus a fee of £193.75 for one or two children. If you had a 4-year old and a 7-year-old in placement you would receive the fee and allowances as detailed below.

Example.

Fee up to two children £193.50

Allowance 4 yr old £168.31

Allowance 7 yr old £195.81

Totalling £ 575.62 weekly.

Level 3 Carers

As a level 3 carer you will be paid a fostering allowance for each child in your care relevant to their age (please see table above) plus a weekly fee of £287.50 for one or two children.

If you have a 7-year-old and a 10-year-old in placement, see example below

Fee up to two children £287.50

Allowance 7 yr old £195.81

Allowance 10 yr old £195.81

Totalling £ 679.12 weekly

Level 4 Carers

Level 4 foster carers will be paid the fostering allowance relevant to the child's age and enhanced by 50% (see table below) this is in recognition of the complex needs of the young people who will be placed. In addition, you will be paid a weekly fee of £381.25

If you have a 16 yr old in placement you would receive the following fee and allowance

Fee £381.25

Allowance £402.61

Totalling £783.86 weekly

Level 4 allowance per week per child is.

Age	Allowance
0-4 years	£252.46
5-10 years	£293.71
11-15 years	£293.71
16+ years	£402.61

Supplementary to the levels of allowances and fees several other set payments to carers will be in place as follows. An additional five weeks allowances will be paid in a year these will be.

- At a child's birthday
- In December for religious festivals
- Two weeks allowance will be paid in June to cover the extra expenditure incurred during the school holidays
- A further week's allowance will be paid in September to contribute towards expenditure over the year for items such as school trips and extra-curricular activities.

Other Payments

An amount will be paid to purchase basic equipment when foster carers become approved. This will be paid on a sliding scale depending on the age and number of children for whom carers are approved. It is expected that the wear, tear and replacement costs will be covered from allowances.

If children become accommodated on an emergency basis, they will often not have the basic necessities such as nightwear, underwear etc. a grant of up to £150.00 will be paid at the start of each placement to take account of the extra costs involved in ensuring basic needs are met at the initial stages of the placement.

Payments to a Provider Undertaking Short Break Placements

Age	Payment
Up to 4 hours -Day Care	£18.75
Over 4 hours-Day Care	£28.43
Over 4 hours complex - Day Care	£50.00
1-4 days/nights	£37.50 per night

When the short break period is over 4 days/night the provider should be paid the appropriate foster care allowance in accordance with the level and age of the child, this is paid on a pro rata basis. Either of the following allowances should be chosen.

Allowance for Short Break over 4 days/nights (Age)	Level 1-3	Level 4
0-4 years	£168.31	£252.46
5-10years	£195.81	£293.72
11-15 years	£195.81	£293.72
16+ years	£268.41	£402.61

Where a child whose foster carers are Level 4 goes to a short break placement for a period exceeding one week the Level 4 foster carer fee of £381.25 should be paid to the provider. If the provider is already in receipt of a foster carer fee of £381.25 then there is no additional payment to be made. If the provider is in receipt of any other amount of foster fee, then the difference should be paid as follows.

Allowance for Short Break Fee for Level 4 carer over 1 week	Payment
In receipt of Level 2 – 1 or 2 children	£187.75
In receipt of Level 3 – 1 or 2 children	£93.75
Not in receipt of any fee.	£381.25

A short break is not the same as babysitting which is arranged and paid for by the foster carer. Only approved foster carers provide short breaks which are matched and agreed by the Family Placement Team. Foster carers do not arrange short breaks with other foster carers.

Income Tax

Inverclyde foster carers are considered as self-employed and as such are required to register with Her Majesty's Revenue and Customs (HMRC). Foster carers are not employees of Inverclyde Council. All income that foster carers receive has to be declared.

The Fostering Network provides workshops on Income Tax and National Insurance which are very helpful and worthwhile attending.

HMRC has produced a self-instruction on-line pack through the following link. www.gov.uk/self-assessment-tax-returns.