Finances

The following allowance and fees calculations are correct as of March 2023

**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**

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 | £127.59 |
| 5-10 years | £145.34 |
| 11-15 years | £180.93 |
| 16+ | £220.05 |

If you have a 4 year old and a 7 year old in placement you will receive an allowance of £272.93 per week.

**Level 2 Carers**

As a Level 2 carer you will be paid the basic fostering allowance plus a fee of £193:75 if you have one or two children in placement and £225.00 if you have three or more children in placement.

For example, if you have a 4 year old and a 7 year old in placement you will receive £466:68. If the children’s baby sister is placed with you then you will receive £625.52 per week.

**Level 3 Carers**

As a level 3 carer you will be paid the basic fostering allowance plus a weekly fee of £287:50 for one or two children and £318:75 for three or more children.

For example if you have a 4 year old and a 7 year old in placement you will receive £560:43. If the children’s baby brother is then placed with you then you will receive £719:27 per week.

**Level 4 Carers**

Level 4 foster carers will be paid the basic fostering allowance enhanced by 50% to recognise the complex needs of the young people who will be placed. In addition they will be paid a weekly fee of £381:25

The allowance per week per child is:

|  |  |
| --- | --- |
| **Age** | **Allowances** |
| 0-4 | £191.38 |
| 5-10 | £218.00 |
| 11-15 | £271.39 |
| 16+ | £330.07 |

Supplementary to the levels of allowances and fees, a number of other set payments to carers will be in place as follows. An additional five weeks allowance 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 £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 | £15.00 |
| Over 4 hours (simple) | £22.75 |
| Over 4 hours (complex) | £40.00 |
| 1-4 days/nights | £30.00 |

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. Either of the following allowances should be chosen:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Payment** | **Child aged**  **0-4** | **Child aged**  **5-10** | **Child aged**  **11-15** | **Child aged**  **16+** |
| Short Break Level 1-3 over 4 days/nights | £127.59 | £145.24 | £180.93 | £220.05 |
| Short Break Level 4 over 4 days/nights | £191.38 | £218.00 | £271.39 | £330.07 |

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 (£300.00) should be paid to the provider. If the provider is already in receipt of a foster carer fee of £300.00 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** | **Difference** |
| Short Break Fee Level 4 over 1 week  £50 | In receipt of Level 3 – 3 or more children |
| Short Break Fee Level 4 over 1 week £75 | In receipt of Level 3 – 1 or 2 children |
| Short Break Fee Level 4 over 1 week £125 | In receipt of Level 2 – 3 or more children |
| Short Break Fee Level 4 over 1 week £150 | In receipt of Level 2 – 1 or 2 children |
| Short Break Fee Level 4 over 1 week £300 | Not in receipt of any fee. |

A short break is not the same as babysitting which is organised and paid for by the foster carer. Only approved foster carers provide short breaks which are matched and organised by the Family Placement Team. Foster carers do not organise 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 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](http://www.gov.uk/self-assessment-tax-returns).