

# Financial Policy for Barnet Foster Carers. Allowances and Fees

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This policy sets out the framework of financial support that foster and connected carers receive from Barnet Fostering Service. It details the payments carers receive including:

- maintenance allowances.
- foster carer fees.
- grants, additional and discretionary payments, and the circumstances in which these can be made.

It provides guidance on the use of the allowances, grants, and any additional payment. It also includes details on payment of allowances and any fee during a break in placement or should the fostering household be subject to an allegation.

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# 1. Payments to Foster Carers: what are they?

The payments that you, as foster carers, will receive are made up of two elements: a weekly maintenance allowance and a weekly professional fee<sup>1</sup>.

## 1.1 Weekly Maintenance Allowance

This allowance is provided to cover the costs of caring for a looked after child. For example, it covers the costs of accommodating the child in the home, food, associated household bills, regular school expenses, entertainment, clothing, pocket money, etc. The allowance should be used to help children and young people access services / items that meet their ethnic, religious, and cultural needs and to provide them with items and experiences that help them live better lives and improve their outcomes.

Allowances are in line with national minimum allowances introduced by Department of Education.

## 1.2 Weekly Professional Fee

This fee is designed to acknowledge your commitment as foster carers to on-going training and development which enhances your skills to care for children<sup>2</sup>. **This fee is paid to all carers who meet the training and development requirements outlined by the Fostering Regulations and National Minimum Standards.** Requirements to receive the fee include attending Skills to Foster training and any other training specified in your Annual Personal Development Plan.

Barnet currently have three Fee levels which are reviewed at your annual review. Fee levels can increase or decrease according to whether you undertake agreed training which enhance your development and skills to meet to meet the needs of children with more complex needs.

You will be expected to be involved in and consulted regarding any potential changes to your skills level.

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<sup>1</sup> If a placement is provided through the North London Fostering Consortium carers will be paid the same allowances and fees as Barnet carers, under the Memorandum of Understanding agreed with all consortium members.

<sup>2</sup> Throughout this policy, when we talk about 'the child' / 'children and young people' we mean children in placement.

## 1.3 Grants, Additional and Discretionary Payments

You **may** receive additional payments each year in relation to the children or young people placed with you, and for yourself. These additional payments include payments for children's birthdays, religious festivals, and holidays.

We will negotiate additional allowances or discretionary payments on a case-by-case basis with you and your social work team<sup>3</sup>. This may apply, for example, to costs to furnish a bedroom for a child or young person or where you have extensive travel commitments each week in relation to a child's placement.

You must seek approval from your supervising social worker before you make any additional expenditure in relation to a child. We advise you to keep receipts where possible to provide to us. Guidance is provided later in this document about these payments and eligibility rules.

## 1.4 How are the maintenance allowance and the fees paid?

Allowances and fees are paid on a weekly basis via your nominated bank account. Detailed information of weekly payments in relation to each child you care for can be obtained by logging into the Provider Portal. Please keep a copy of each of your weekly remittance advices to inform your annual tax returns, however you should log into the portal to download the annual statement.

Remember: As a foster carer you are classed as self-employed, and you will need to make sure that you register as such with the HMRC, you will have to pay your own National Insurance. You will need to complete a tax return at the end of the year to work out how much tax you will need to pay on your fostering fees. You can contact HMRC for further advice.

The Fostering Network can give guidance and support on completion of your tax returns – Tel: 020 7620 6400 or email: [info@fostering.net](mailto:info@fostering.net). The Fostering Network's Fosterline can also advise, please contact them on 0800 040 7675.

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<sup>3</sup> References to 'we' in this document mean the Barnet Fostering Service. The social work team includes your supervising social worker and the child's social worker.

## 2. Breakdown of Weekly Fees for Foster Carers

The Foster Carer fee element is based on a competence-based career progression.

Skill Level 1	Skill Level 2	Skill Level 3
£181	£211	£289

There are three 'skill' levels with fees and

competencies detailed below:

- Level 1 – when you are newly approved.
- Level 2 – when you can evidence further competencies in caring for children and young people, and completion of the Training Support and Development Standards portfolio, training and meeting the National Minimum Standards (NMS).
- Level 3 – when you can consistently evidence the criteria of advanced foster caring ability, contribute to the Service, and meeting the enhanced eligibility criteria. [\[Link to eligibility criteria.\]](#)

## 3. Breakdown of Weekly Maintenance Allowances

The amount of the maintenance allowance paid is dependent on the age of the child in your care.

Age 0 to 2	Age 3 to 4	Age 5 to 10	Age 11 to 15	Age 16 to 17
£191	£195	£217	£248	£289

The table below sets out a general guide for how you should spend the maintenance allowance. This is a general guide only and it is recommended that you, your Supervising Social Worker, and the Child's Social Worker have a conversation on how to tailor the maintenance allowance at the beginning of each placement. This should consider the needs of the child, their interests, their age, and any other relevant factors.

Age Cost & % Expend	0-2 years	3-4 years	5-10 years	11 years	12-15 years	16-17 years
Maintenance Allowance	£191.00	£195.00	£217.00	£248.00	£248.00	£289.00
Savings (fixed)	£5.00	£5.00	£5.00	£5.00	£10.00	£10.00

<b>Age</b> <b>Cost &amp; % Expend</b>	<b>0-2 years</b>	<b>3-4 years</b>	<b>5-10 years</b>	<b>11 years</b>	<b>12-15 years</b>	<b>16-17 years</b>
Pocket Money (fixed)	£5.00	£5.00	£10.00	£15.00	£15.00	£20.00
Accommodation (20%)	£38.30	£34.40	£37.60	£42.40	£41.40	£48.00
Food, house Keeping (26%)	£43.94	£44.72	£48.88	£55.12	£53.82	£62.40
Clothing (15%)	£25.35	£25.80	£28.20	£31.80	£31.05	£36.00
Leisure (16%)	£27.04	£27.52	£30.08	£33.92	£33.12	£38.40
Personal (11%)	£18.59	£18.92	£20.68	£23.32	£22.77	£26.40
Travel (12%)	£20.28	£20.64	£22.56	£25.44	£24.84	£28.80

The figures are representative of the direct costs of looking after a child. A savings amount will be deducted at source from the allowance and deposited in the child/ young person's Junior ISA (Individual Savings Account), based on their age.

Fostering costs should be met within the maintenance for the child. No additional payments would be considered unless genuinely exceptional and identified as required to meet the child's needs. All additional payments and expenditure must be prior agreed by the Fostering Team Manager.

## 4. Guidance on the Use of Allowances, Grants, and Additional Payments

### 4.1 Maintenance Allowance

Expenditure Item	Guidance on use of the maintenance allowance
<b>Clothing</b>	<p>Use to purchase both casual and <i>replacement</i> school clothing/footwear (please see below uniform grant).</p> <p>You can use it flexibly to buy clothes directly for younger children or give it to older children / young people on a weekly/monthly basis for them to purchase their own clothing.</p> <p>Use should be agreed at the initial placement planning meeting and set out in the placement plan.</p> <p>Carer/s of young people aged sixteen and over should ensure that the young person has sufficient suitable clothing/footwear for formal interview situations, education, training, or employment opportunities and for their future move to independence.</p>
<b>Education</b>	<p>Use to provide for:</p> <ul style="list-style-type: none"><li>• standard materials required for school.</li><li>• regular school trips and activities.</li><li>• purchase of a set of standard school photographs each year.</li></ul> <p>If specific major items are needed, you should contact your supervising social worker. A discretionary payment for 'one off' educational situations (i.e., if supplementary pictures are needed) and / or a grant (of up to £200) for major field trip may be agreed.</p> <p>From September 2023 school meals are free to all primary school children in London. For secondary level children and young people use the food &amp; housekeeping component of the maintenance allowance to cover this cost.</p>
<b>Leisure</b>	<p>Use to provide holiday clubs and activities during term time and holidays. Be mindful that children should not spend all their school breaks in play schemes. For advice contact your social work team.</p> <p>Use to enable children and young people to engage in hobbies that can help develop their self-esteem (sports, music lessons, club memberships, etc). Children and young people should be encouraged to take part in at least one social activity each week.</p>
<b>Luggage</b>	<p>Use to buy a minimum of two items of luggage for children and young people. All children and young people moving between placements or to independence must have appropriate personal luggage. They should never move with their possessions in bin liners.</p>



<b>Expenditure Item</b>	<b>Guidance on use of the maintenance allowance</b>
<b>Transport</b>	<p>Use to cover any aspect of transporting the child or young person associated with their basic care. For example, to cover transport to and from school, family contact, health appointments or leisure activities.</p> <p>You are expected to cover the first 60 miles/part of the payment for public transport from within the travel element of the maintenance allowance per week. Any additional costs will be paid at the rate of 46 pence per mile or the remaining part of the expenses occurred while using public transport. This needs to be discussed and agreed with your supervisory social worker in advance.</p> <p>All young people under the age of 16 in London are entitled to free bus travel when they have a valid Oyster photo card. All students and work-based learners up to the age of 19 are entitled to free bus travel and all other young people aged 16 and 17 travel at the child rate.</p>
<b>Savings</b>	<p>We deduct £5.00 per week for children under the age of 12, and £10.00 per week for 12-year-olds and over from this allowance to build savings for the child. This money is deposited in the child / young person's Junior ISA account. Should carers wish to provide further savings for the child, this should be returned to social work team at the end of the child's placement.</p>
<b>Child trust fund</b>	<p>Children born on or after 1st September 2002 and up to and including 3rd January 2011, who are living in the UK and for whom child benefit has been awarded, have a Child Trust Fund account which they can access when they turn 18. Please refer to the Family Services Finance Team, should you require information in relation to a child placed with you.</p>

## 4.2 Grants and Additional Payments

<b>Expenditure Item</b>	<b>Guidance on use of the grant / additional payment</b>
<b>School uniform</b>	<p>Use to buy school uniforms only. The annual allowance is £88.85. There are some additional top ups as follows:</p> <p>Starting school £19.15 Starting Secondary school £204.15 Leaving school £148.15</p>
<b>Initial Clothing Grant</b>	<p>An initial clothing grant of up to £100 (maximum) is paid where a child being accommodated does not have adequate clothing for everyday needs.</p> <p>Do seek agreement from your supervising social worker who will advise on the required procedure before purchasing any items for reimbursement. All receipts should be kept.</p>

Expenditure Item	Guidance on use of the grant / additional payment
<b>Birthday Allowance</b>	<p>This payment is automatically made before the child/young person's birthday. Use to purchase gifts and to contribute towards the cost of the child or young person's birthday celebrations.</p> <p>Unspent birthday allowances should be put into savings for the child. Your supervising social worker will ask for details and confirmation of how you have spent the birthday allowance each year. Only in exceptional circumstances, and following discussion with the social work team, should the allowance be given in cash to the child.</p> <p>Rates are:</p> <ul style="list-style-type: none"> <li>• Age 0-11 years: £121,70 (Min. £66 on gifts)</li> <li>• Age 12-17 years: £176,75 (Min. £98 on gifts)</li> <li>• Age 18-year-olds: £211,00 (Min. £109 on gifts)</li> </ul>
<b>Festival Allowance</b>	<p>Use to contribute towards the cost of festivals, celebrations – Christmas, Eid, etc. Only one festive allowance will be paid on the behalf of any child / young person per annum. Payments are made in December for the full year, and you are expected to save it until use is required at appropriate calendar date/s. Your supervising social worker will ask for details and confirmation of how and when you have spent this allowance each year.</p> <p>Rates are:</p> <ul style="list-style-type: none"> <li>• Age 0-11 years: £121,70</li> <li>• Age 12-17 years: £176,75</li> <li>• Age 18-year-olds: £211,00</li> </ul>
<b>Babysitting Costs</b>	<p>If, to be able to attend fostering training, support groups or child related meetings, you need babysitting for a foster child you may be able to claim this cost. The babysitting rate paid would be £15 per hour for a maximum of 7 hours in a day. This must be agreed in advance with your supervising social worker.</p> <p>If this service is required for any longer than 7 hours in day, the additional cost needs to be covered by you.</p>
<b>Holiday Grant</b>	<p>Children in foster care should be able to participate in a family holiday with their foster family. This can include short breaks, organised days out, or spending a block of time away from home. This grant is designed to cover the <i>additional</i> expenses you may incur by having a foster child joining you in a family break and/ or paying for day trips and activities with them during school holiday breaks.</p> <p>A holiday grant is payable for each foster child for a maximum of two weeks. The amount paid would be the same as the child's weekly maintenance allowance <i>on a pro-rata basis</i>. This grant will be paid in addition to receiving the child's maintenance allowance.</p> <p><i>Example: If you were to go on a family holiday with your 7-year-old foster child for one week, you would receive the £203 maintenance allowance + £203 holiday grant (+ your skills fee).</i></p>

Expenditure Item	Guidance on use of the grant / additional payment
	The grant will be paid as and when the holiday arrangements are confirmed with your supervising social worker. Evidence of the trip and expenses must be provided.
<b>Annual Leave</b>	<p>Short-term and long-term carers are entitled to 14 days annual leave without the child/ren who have been placed with them, during each financial year.</p> <p>You can choose whether to arrange:</p> <ul style="list-style-type: none"> <li>• respite care while the placement is open. During this time, you will receive the equivalent of the skill fee only as holiday allowance.</li> <li>• for the child/ren to be cared for by a nominated carer <a href="#">[hyperlink to nominated carers policy]</a>. In this case you will still receive the maintenance allowance, but we expect you to pass it on fully to your nominated carer. The nominated carer will also receive a weekly fee of £181.</li> </ul> <p>If you are not able to take leave or choose not to, you <b>may</b> be able to claim the skills fee that would have corresponded with annual leave.</p>
<b>Furniture, equipment expenses</b>	<p>As <i>new</i> foster carer you <b>may</b> be eligible to receive payments to enable you to purchase appropriate equipment such as prams or pushchairs, cots, beds, or desks for older children where required.</p> <p>If you are approved to take care of children of different age groups, additional payments for furniture and equipment may be negotiated. These items must be agreed by the supervising social worker before being purchased. Receipts should be provided.</p>

### 4.3 Other Expenses

Expenditure	Guidance
<b>Disability Living Allowance</b>	<p>You are encouraged to apply for this benefit in addition to the fostering allowance for a disabled foster child. It is payable to meet the additional needs arising from the child's disability.</p> <p>If you apply and it is agreed, please note the money must be paid into a savings account for the child which will be accessed by you as necessary to pay for the child's care needs. Any unspent money will be part of the child's savings and will be overseen by the social work team periodically.</p>
<b>Glasses</b>	Children and young people's glasses should be funded with an NHS optical voucher. You may request extra finance of up to £50 towards a particular pair of glasses to be agreed on case-by-case basis. Costs towards designer glasses should come from the clothing element of the

Expenditure	Guidance
	maintenance allowance, with contribution from the young person, if appropriate.
<b>Damaged Property</b>	You should always consult your insurance company about damage and make a claim if possible. If this is not possible, we will consider reimbursement of costs of replacing damaged items / to your home when damage has been caused by the child or young person in placement. Reimbursement must be approved by Barnet before any replacement items can be purchased. Please contact your supervising social worker.
<b>Introductions/ Moving On</b>	We will reimburse your expenses when bringing a child to a long-term / adoptive/ special guardianship placement for introduction at a rate of £25 per day for meals and travel, in addition to the weekly allowance. You should discuss costs with your supervising social worker in advance and keep receipts.
<b>Out of Hours</b>	If you are contacted out of hours and you agree and subsequently take a child out of hours, you will receive an enhanced payment of £150 per day for up to 3 days (maximum) at the beginning of a placement. Thereafter you will start to receive your usual fee and maintenance allowance.
<b>Retainers</b>	If you are actively preparing for a placement of a child (attending planning meetings, having introductions etc.) a retainer fee equivalent to half your skills fee <b>may</b> be payable.  If you are subject to an investigation and a child is removed from your care, Barnet will pay a retainer (equivalent to the weekly fostering fee) for up to 4 weeks during an investigation or until the investigation is completed - whichever period is shorter.
<b>Key Documents</b>	We will pay for a passport and 2 copies of birth certificates for all children and young people in care where possible to provide them with two forms of identification, travel documents and assist them when moving towards independence.
<b>Respite Care</b>	If respite care is built into the child's care plan due to complex needs, you will receive only the skills fee during the respite period.  If you experience exceptional personal circumstances and need respite, please see 'annual leave.'  Respite carers offering overnight or longer respite periods will be paid their standard weekly rate on a pro-rata basis for the number of days' respite they provide. As they receive both the maintenance and fee payment, these carers are expected to follow this guidance for its use.
<b>Enhancements</b>	If a placement is <i>exceptionally</i> demanding or costly an enhanced maintenance allowance may be agreed. Requests for enhanced payments need to be fully discussed with your supervising social worker and the child's social worker.

Expenditure	Guidance
	Payments may be agreed for three months. If exceptional needs are ongoing following the three months a new request must be submitted and agreed.
<b>Exceptional Payments</b>	Where specific situations arise that are outside of the scope of this policy and guidance, you should contact your supervising social worker.

For further information about Care Leavers and Family and Connected Carers please click the links to access the relevant policies [\[hyperlinks\]](#)

## 5. Payments in the Absence of the Child or Young Person

### School Trips

When the child young person is on a school trip you will receive the full fee and maintenance for them. You are required to ensure the child / young person has sufficient money for food, travel, and pocket money for the duration of the school trip. During this period, you are expected to remain available to take the child / young person back if the plans around the school trip change or unexpectedly ends.

### Hospitalisation

The maintenance allowance and fee will be paid to you if a child / young person is hospitalised with the expectation that you will support them as any parent would during stays at the hospital. If, after 7 days, the child is still in hospital the payment of the fee and maintenance will be negotiated with you. This may include negotiating the payment of a retainer until the child or young person returns to placement. We will consider the amount of contact that you maintain with the child or young person whilst they are in hospital.

### Missing from Placement

The child's fostering allowance and fee will be paid to you if the child / young person is missing from placement for up to seven days. If after seven days the child is still missing, decisions about the placement will be subject to standard care planning processes. This may include negotiating the payment of a retainer until the child or young person returns to placement.

## 6. Information on Tax and Benefits

You should register as self-employed when you start to foster. You will need to file tax returns. In your tax return, you will be able to claim:

- a tax exemption of up to £18,140 per household.
- tax relief for every week you foster a child.

This is known as qualifying care relief. You may be entitled to [National Insurance credits](#), which count towards your [State Pension](#).

**Tax Exemption:** In a tax year, households do not pay tax on the first £18,140 they earn from fostering. You will still pay tax on money you earn from a job or investment.

**Tax Relief:** On top of the £18,140 exemption, you also get tax relief for every week (or part week) that a child is in your care. This means you do not have to pay tax on some of your earnings over £18,140.

Age of child	Tax relief
Under 11	£375 per child
11 or over	£450 per child

### **Example:**

*Laura is a foster carer for a 14-year-old (child 1) for the whole of the year and for an 8-year old (child 2) for 10 weeks of the year. She does not have to pay tax on the first £45,290 she earns from fostering.*

*Tax exemption = £18,140 + child 1 (52 x £450) = £32,400 + Child 2 (10 x £375) = £3,750*

*Total = £45,290*

Further advice on tax and benefits is available from the Fostering Network's Fosterline on 0800 040 7675. The [HMRC Website](#) also has comprehensive guidance on these matters.

**Claiming Benefits** - Being a foster parent can affect your benefits. Check a benefits calculator to see what you are eligible for. If you are claiming benefits you need to tell the organisation that pays you that you are also getting a foster care allowance.

You can get disability benefits for your foster child if they meet the criteria. You may also be able to claim [Carer's Allowance](#) if your foster child gets [Disability Living Allowance](#) or [Personal Independence Payment](#).

For more help on how your benefits may change: [get free fostering advice from Fosterline](#).

## 7. Financial Overpayments

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All overpayments made by us will be recovered in full, except in genuinely exceptional circumstances. You should check your payments and remittance advices each week to ensure they are correct. In the event of an overpayment, contact your supervising social worker / Fostering Team Duty to discuss how to return the overpaid monies.

In exceptional circumstances (i.e., financial hardship, etc) we may negotiate a payment arrangement for you to return the funds within a 6-month timescale.

We expect you to sign the overpayment agreement included below. It outlines expectations in relation to overpayments and timescales. All foster carers will be asked to sign this agreement at the time of their approval.

## 8. Agreement to Repay Overpayment

### **Fostering Service**

### **Agreement to Repay Overpayment of Fostering Maintenance Allowances and Reward Fees Form**

1. I/We.....have read these documents in consideration of the Fostering Maintenance Allowance and Professional Fees paid to us/me as an authorised carer for the London Borough of Barnet. I/we agree to repay any part of the Allowance/Fees payments made to me/us on behalf of the child/children/young person(s) in my/our care to which it transpires I/we was/were not or should not have been entitled even if due to: -

(i) Any mistake or error in the calculation of the Allowance/Allowances.

(ii) A failure of any employee of the London Borough of Barnet in providing correct and timely information in respect of placement details.

2. I/We acknowledge that I/We am/are hereby bound to repay any Maintenance Allowances and Fees reclaimed by the London Borough of Barnet.

3. Overpayments will be recouped in the following manner: Initially from any professional fee payments due within 6 months of the overpayment

(In exceptional circumstances, should this method of repayment cause financial hardship, individual cases can be discussed with the fostering manager)

Full Name and Address (including Post Code)

.....  
.....

Signed.....Foster Carer/s

Signed.....Supervising Social Worker

Date.....

This form MUST be signed in the presence of the Supervising Social Worker and a copy should be retained for the carer's records.



