

Household costs and foster care





Abigail Davis
Matt Padley

Centre for Research in Social Policy

November 2013
©Loughborough University

Loughborough University
Centre for Research in Social Policy

© Loughborough University

Published by the
Centre for Research in Social Policy
Loughborough University
Leicestershire
LE11 3TU

ISBN 978 0946831 37 1

All rights reserved. Reproduction of this report by photocopying or electronic means for non-commercial purposes is permitted. Otherwise, no part of this report may be reproduced, adapted, stored in a retrieval system or transmitted by any means, electronic, mechanical, photocopying, or otherwise without the prior written permission of Loughborough University.

Contents

Acknowledgements		iv
About the Authors		iv
Foreword		v
1.	Introduction	1
2.	Methodology	4
3.	How is the cost of a foster child different to a birth child and why	12
4.	The additional costs of fostering	28
References		43
Appendix		44

Acknowledgements

The project team would like to express its gratitude to all the foster carers who came forward to help with the research. We would like especially to thank the participants of the discussion groups for their enthusiastic and diligent assistance in identifying the needs of foster children, and for sharing their considerable expertise with us.

We would like to thank the Fostering Network for their invaluable assistance with the recruitment process, and enthusiasm and insightful discussions throughout. In particular, we would like to acknowledge the invaluable contribution of Madeleine Tearse and her ongoing support in bringing this project to fruition.

Thanks also go to Lisa Jones at the Centre for Research in Social Policy (CRSP) for co-ordinating the groups and providing administrative support for the project.

About the Authors

Abigail Davis is a Senior Research Associate at CRSP and has been part of the Minimum Income Standards (MIS) team since 2006. She leads the qualitative element of the UK MIS research and is a consultant on projects in Ireland, Japan, Portugal, France and Austria using the MIS methodological framework. Her research interests include living standards, poverty and social exclusion and the experiences of vulnerable groups on low incomes.

Matt Padley is a Senior Resarch Associate at CRSP where he works across the MIS programme, with responsibility for the management, analysis and application of MIS data. He is an experienced policy researcher and analyst. His principal interests lie in understanding the patterns, cause and consequences of social disadvantage, particulalry with regard to income, and understanding the interplay between policy, place and community.

The facts presented and views expressed in this report are those of the authors and not necessarily those of the Fostering Network.

Foreword

The Fostering Network works to secure the best possible care of children who are fostered, and we support foster carers to deliver this.

In order to keep up to date with the financial costs incurred by households as a result of fostering, we have been working with the Centre for Research in Social Policy (CRSP), at Loughborough University, leaders in the field of budget standards research. Their robust research provides us with important new insights and information.

Foster carers are trained key members of the team of people working with each child in foster care. They carry out the fostering task in their own homes. The costs incurred involve meeting the everyday needs of the child, and other costs to the household such as additional safety precautions or travel to meetings with the child's family. All such costs have to be viewed in the light of the specific needs of children in care, and it cannot be assumed that these are the same as for children in the general population.

The study investigates the costs which foster carers have to meet in order to care for a fostered child, and how these differ from costs in families which do not foster. Crucially, this research confirms that there are the additional costs in bringing up a fostered child compared with a birth child. However, given the variety of fostering placements, and the complexity of individual experiences, the study could not represent all fostering situations. The research was based on long-term foster care only and also excluded additional needs of many fostered children, such as children with chronic illnesses, severe emotional problems and disabilities. In the report the authors set out the strengths and limitations of the methodology employed.

As a result this report does not - and was never intended to – provide definitive information about fostering costs which can directly inform a recommended fostering allowance given to foster carers to compensate them for spending on a fostered child. Therefore, over the next year the Fostering Network will bring together stakeholders from across the field - academics, foster carers, policy makers and fostering services' representatives - to build on this research, in order to move from CRSP's study based on the minimum income standard to a recommendation for a meaningful allowance sufficient to cover all the costs that a foster family incurs as a result of fostering.

The Fostering Network is most grateful to CRSP for providing us with solid foundations for this process.



Robert Tapsfield
Chief Executive, The Fostering Network

1. Introduction

This report presents the findings of a project undertaken for the Fostering Network to develop robust information about the needs of foster families and the cost implications that these needs have for households.

The project takes as its starting point existing research into a Minimum Income Standard (MIS) for the UK (for more detail, see the box below); that is, what people need in order to have a minimum, socially acceptable standard of living, as consensually defined by groups drawn from members of the public. The project aims to identify additionality and variation in fostering households in relation to the level of household consumption described in detail in the MIS for the UK. The research involved foster carers in discussing and deciding how the costs of fostering families were different from those of non-fostering families. MIS is a consensual approach based on informed opinion about what is required by fostering households and by looked after children. A strength of the MIS methodology is that it identifies not only what different households need, but also the rationale for why these households require the items and services included in the budgets. In this report, the methodology allows for the identification and costing of the different and/or additional needs of fostering households and provides an account of why and how these differences are justified.

Previous research on expenditure in fostering families, conducted by Nina Oldfield of the Family Budget Unit (FBU) drew extensively on behavioural evidence, family spending patterns, expert opinion and existing budget standards methodology (Oldfield, 1997). Oldfield's work involved in-depth interviews with foster carers and the collection of expenditure data, and based calculations on both the FBU's budgets and on her detailed previous work on the costs of a child. While clearly informed by the lived experiences of foster carers, Oldfield approached the cost of fostering using the FBU methodology in which household budgets were prepared by the research team with input from experts and making use of behavioural information about, for example, transport and distances people travel. Final decisions about what was included and what was excluded from budgets lay with the research team and only when budgets were completed were they returned to experts and the public for agreement or amendment. The MIS methodology used here starts with groups of members of the public, and final decisions about what is and is not included lie with groups rather than with members of the research team; the final household budgets are consequently based on consensus amongst members of the public rather than on professional or expert judgements.

In 2006 the FBU collaborated with the Centre for Research in Social Policy (CRSP) using a new methodology to devise detailed consensual budget standards for a range of household types, first published in 2008 and updated annually. In 2011, the work of the Family Budget Unit came to an end on the basis that the calculation

of the Minimum Income Standard (MIS), based at CRSP, takes forward its mission. In 2012, CRSP was commissioned to produce a new report on the cost of a child, supplementing the 2012 MIS research and to provide annual updates of this work. As leaders in the field of budget standards research, CRSP was asked to conduct new research into the additional and different costs faced by foster families, and to update the evidence available to the Fostering Network.

This research was intended to provide a benchmark – establishing the minimum costs for an acceptable standard of living for looked after children within the context of a settled, long term placement. This study has focused on the needs of fostering households with relatively stable placements of some duration, as these are most comparable with the situation of families in the general population on which the UK MIS budgets are based. As such, it does not attempt to look at the needs of other types of placements, including short-term placements which engender more frequent start-up costs, or at the needs of foster children with disabilities, chronic illness and serious emotional and psychological problems, all of which are more common within foster settings than in the general population. What it does provide is an examination of the minimum costs associated with looking after foster children and an account of the basis and rationale for these costs.

What is MIS? The Minimum Income Standard is the income that people need in order to reach a minimum socially acceptable standard of living in the United Kingdom today, based on what members of the public think. It is calculated by specifying baskets of goods and services required by different types of household in order to meet these needs and to participate in society.

How is it arrived at? A sequence of groups has detailed negotiations about everything a household would have to be able to afford in order to achieve an acceptable living standard. These lists are very detailed and include everything from socks to washing machines, dental costs to telephone call charges. In certain areas of household requirements, experts check that the specifications given by groups meet basic criteria such as nutritional adequacy. Each group typically comprises eight people from a mixture of socio-economic backgrounds, and is composed of people from the particular demographic category under discussion - for example, pensioner groups decide the minimum for pensioners.

What does it include? Groups in the original research defined MIS as follows:

A minimum standard of living in Britain today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.

Thus, a minimum is about more than survival alone. It covers needs, not wants; necessities, not luxuries. In identifying things that everyone should be able to afford, it does not attempt to specify extra requirements for every particular individual or groups - for example, those with disabilities or long-standing health problems. So not everybody who has the minimum income is guaranteed to achieve an acceptable living standard. However, anyone falling below the minimum is unlikely to achieve such a standard.

To whom does it apply? MIS applies to 'nuclear' families comprising a single adult or couple with or without dependent children. It covers most such households, with its level adjusted to reflect their makeup. It does not cover families living with other adults, such as households with grown-up children.

Where does it apply to? MIS was originally calculated as a minimum for Britain; subsequent research in Northern Ireland carried out in 2009 showed that the required budgets there are all close to those in the rest of the UK, so the main budget standard now applies to the whole of the United Kingdom. The main MIS is based on research with households living in urban areas. In 2010, 'MIS Rural' was published, which includes the additional costs associated with living in rural areas.

When was it produced and how is it being updated? The original research was carried out in 2007 and the findings presented in 2008, costed using April 2008 prices. Every July, new MIS figures for the main budgets are published, updated to April of the same year. Annual updates take inflation into account. In addition, every other year new groups are convened to review or rebase selected budgets.

2. Methodology

In all MIS and MIS-related research, the same definition of 'minimum essential needs' is used throughout. This definition was developed at the beginning of the original MIS research by participants, with some light-touch input from the project advisory group of academics and policy experts.

> *A minimum standard of living in Britain today includes, but is more than, just food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.*

This definition acts as a clear reference point for all of the groups in MIS and MIS-related research when deciding upon items and services to be included or debating the allocation of resources. The definition was therefore used in groups with foster carers undertaken in this research and whatever groups agreed that households needed had to meet this standard and not exceed it.

This study uses the MIS household budgets as a starting point and focuses on the needs of foster children, aiming to identify and explain the different and additional costs involved in looking after a foster child using an adaptation of the MIS methodology. Using the detailed budgets devised for households with children in the MIS for the UK (Davis et al., 2012), groups of foster carers reviewed the lists of goods and services and made decisions about which items needed to be changed, in terms of their quantity, quality and/or durability, and which items should be added or removed. Consensus was reached through detailed and often lengthy discussion as foster carers debated and deliberated what was needed and why. As a result of these decisions, changes were made to the UK MIS budgets to reflect additions or amendments to quality and quantity recommended by the groups. The box below explains how the individual items are translated into a weekly cost.

The method utilised here allows this research to build on, rather than repeat, the very detailed work on the hundreds of individual items, from teaspoons to toothbrushes, that a household needs to buy, carried out in the main MIS deliberations. At the same time, the method also enables groups to pinpoint any areas of household budgets where needs are different and/or where items specified in the UK MIS budgets need to be amended. This method was used to develop budgets in rural locations, allowing for comparisons to be made between rural and urban living costs (Smith et al., 2010). The method of exploring additionality and difference has also been used to look at variations in Northern Ireland (Smith et al., 2009) and Guernsey (Smith et al., 2011). One of the most significant features of this approach to understanding additionality is that the original budgets are only changed where there is a clear consensus to do so among the new groups.

This method does mean that new groups or populations studied comparatively must

Lifespans and weekly costs

Lifespans

All items in the budget are given a lifespan, decided by groups based on their experience of how long particular items are likely to last before needing to be replaced. These decisions are mediated by different factors including:

- quality of item: lower quality, cheaper goods often wear out faster than higher quality, more expensive goods;
- number of item: having more of a particular item (for example, socks) means that they are used less often and so last longer;
- conditions of use: items' lifespans depend on how carefully they are used, and for how long they are needed. For example, clothes for foster children were said to have a shorter lifespan because of increased wear-and-tear and a greater likelihood of being lost.

Weekly costs

In practice, some items in the budgets – such as clothes, furniture and birthday presents – are bought outright and not paid for each week. However, in the MIS budgets, the costs for such items are spread so that the budgets include their weekly costs. To do this, the whole cost is divided by the number of weeks it is expected to last. For example, the price of a mattress protector for a preschool child, which will need to be replaced annually, would be divided by 52, and this amount included in the weekly household goods budget. In this way, the budgets do not differentiate between start-up and on-going costs, but incorporate an amount throughout the year to pay for the appropriate proportion of each item.

be selected on a similar basis to the participants who defined the MIS for the UK . For example, when comparing fostering households with households in the UK study, it was not possible to determine additional costs associated with disability or chronic illness, or to determine costs for children over 16, or to isolate differences concerning ethnicity, since these were not calculated for the UK MIS.

In order to make comparisons between the main MIS households and fostering households the focus was on the needs of four different ages of children mirroring those within the UK MIS budgets: a one year-old infant, a three year-old preschool child, a seven year-old primary school child and a 14 year-old secondary school child. Within the UK MIS, budgets are developed based on the needs of a child at one age within each age category (infant, pre-school, primary and secondary aged children) and therefore the case study children act as a proxy for the other ages within the category. For example, in the infant category, which covers the period 0-23 months, the case study child is aged one. However, in households including a child who was

4 months old, the clothing budget, for instance, would be sufficient to enable parents and carers to provide age appropriate clothing for that child. Similarly, whereas a one-year-old child would be likely to be fully weaned, a four-month-old baby in a household would need formula milk rather than solid food, so the food budget based on the needs of a one year old would be used to purchase formula rather than the food needed by a one year old.

Mirroring the ages of children within the UK MIS budgets made it possible to undertake a comparison between the cost of a child analysis conducted by CRSP (Hirsch et al. 2012; Hirsch (2013)) and the additional costs of foster children developed here. In this way, this report explores not only the impact of fostering on household costs, but also outlines the cost of a foster child (excluding housing costs and childcare) in five age brackets: infant (0-1), pre-school (2-4), primary (5-10), younger secondary (11-15), older secondary (16-17).

Case studies

The use of case studies is an important part of the MIS methodology. It ensures that the focus of group discussions is consistent within and across groups, and allows participants to share their experience and expertise without needing to divulge details about their personal circumstances or about the children they have had contact with. Furthermore it ensures that the emphasis of views expressed is on the minimum socially acceptable standard as identified by the group, and not on the actual expenditure incurred by participants. As the emphasis is firmly on the needs of the case studies rather than their own personal/household preferences it also enables individuals from a range of socio-economic groups to reach consensus about what is needed.

The case studies used in this project were devised in consultation with the orientation group, with revisions from the initial stage of review groups. Discussion with the Fostering Network and the foster carers indicated that for the purposes of this study it was advisable to focus on the needs of children in longer-term foster placements, rather than trying to explore the complexity and range of needs associated with short term, emergency and respite placements. For these purposes the focus was on stable placements which lasted more than six months.

The orientation group included two siblings, placed elsewhere, for each of the case study children as they said that this was not atypical, and enabled groups to discuss the need for foster children to maintain relationships within their birth family. They also decided that the foster child would be living with a couple with two birth children to reflect a fairly typical situation where foster-households comprise both looked after and birth children. For the younger children, for whom there was a possibility that they might be returning to live with their birth family, it was assumed that they would probably be having regular contact with their parent(s). Some level of contact was

assumed to take place for the primary school child, but probably taking place less frequently than in the case of the younger children. For the secondary school child who had been in placement for five years contact was expected to be at a minimal level.

The case studies used in the groups with foster carers were:

Ben is 1 and in foster care with a family of four. The plan is for twin tracking[1]. There is a history of neglect.[2] There are two other siblings placed elsewhere.

Jenny is 3 and in foster care with a family of four. The plan is for twin tracking. There is a history of neglect. There are two other siblings placed elsewhere.

Lucas is 7 and has recently moved to long term foster care with a family of four. There is a history of neglect. There are two other siblings placed elsewhere.

Lily is 14 and has been in long term foster care with a family of four for five years. There was a history of neglect with the birth family. There are two other siblings placed elsewhere.

For the secondary school child, the orientation group were trying to reflect a situation that was reasonably stable and so specified that Lily (the case study 14 year old) had been in her current placement for several years. It is possible that this may have had an influence on participants' perceived level of need for the secondary school aged child. Although she was still seen to have additional or different needs to those of a birth child of the same age, after five years within the same placement some participants said that she would be more likely to be 'settled' and 'like any other 14 year old' and so may not have the increased level of need identified in several areas, for example those relating to behavioural and developmental needs. Other participants disagreed with this point of view and said that behavioural issues could arise at any time, no matter how stable the placement appeared to be.

Limitations

In the MIS for the UK the individuals portrayed in the case studies are assumed to be in a 'reasonably good state of health', i.e. they do not have any disabilities or serious and/or long-term health conditions. Research using consensual budget standards methodology conducted by Smith et al. (2004) indicated that there are significant

1 Twin tracking may also be referred to as parallel planning, dual planning/ tracking and other similar terms. This describes a situation where more than one plan for the child may be explored concurrently during the early stages of a child becoming looked after before a court order is made. For example, this could include assessing whether it's possible for the child to return home to their parents, but at the same time having a back-up plan for the child to live elsewhere, with a family member, adoptive parent or in a long-term foster placement if that is not possible. This process can also include considering long-term foster placements or even adoption, should the other plans be unsuccessful.

2 56% of children who entered care between 1 April 2011 and 31 March 2012 in England did so because of abuse or neglect

additional and different costs for adults relating to disabilities and health problems. Further work is needed to assess the needs of children with disabilities as without this we do not have a way of making accurate comparisons between the costs of children with and without disabilities within the MIS framework. For this reason the same assumption of 'reasonably good health' was made in the fostering case studies because, although it is clear that there are looked-after children with additional needs of this kind, it would be very difficult to make accurate calculations about how much of the additional costs related to fostering and how much to disability/health conditions. Similarly, it was not possible to consider the needs of children with serious mental health issues and emotional and psychological problems. CRSP plans to address this gap in the MIS research in the future, at which point there may be scope for further work to look at the needs of foster children with disabilities and serious and/or long-term health problems.

The study is also unable to examine detailed costs relating to ethnic backgrounds and cultural differences, although in some budget areas, for example food, participants with experience of trans-racial placements agreed that the same budget could be used to buy different items, rather than requiring extra food in addition to the amounts already incorporated.

Housing and heating

There are significant variations in housing costs across the UK influenced by a range of factors including the availability of social housing, regional cost differences, and variable supply and demand in the private rented sector. Housing costs are consequently extremely variable across households. In recognition of this, the UK MIS budgets are generally presented with and without housing costs.

The UK MIS is based on social housing costs as groups agree that this is the minimum acceptable standard of housing. The groups in this project agreed that this was also the acceptable minimum standard for fostering households, while acknowledging that in the many instances where this is not the case, households will have different costs relating to private rent or mortgages. The question of housing costs is addressed in more detail in Chapter 4.

Foster carers highlighted the potential additional costs involved in providing a separate room for each foster child, as guidance is clear that they should have their own room.

A small minority of foster carers are in receipt of housing benefit. Those who do receive housing benefit and who are under retirement age will have their benefit reduced if more than one bedroom is occupied by fostered children, under recently introduced rules on under-occupancy.[3] Further limitations would see a reduction in housing benefit should approved foster carers have a period of more than 52 weeks

3 Welfare Reform Act 2012.

between placements.

The domestic energy costs are calculated by a fuel expert based on the assumption that homes have gas central heating and are heated at a level that would maintain the fabric of the accommodation in good condition so as not to compromise the health of the occupants. In recognition of the fact that there is an expectation that there will be one foster carer in each household who remains home-based, the fuel costs included here are sufficient to heat the home throughout the day, whereas in working age households with school aged children in the UK MIS, the assumption is that the home will not need to be heated throughout the whole day during Monday to Friday for at least 39 weeks of the year (i.e. the number of weeks that children are likely to be at school).

Fieldwork

Fieldwork involved six discussion groups, which took place between late May and early July 2013. The research was conducted in four stages. The first of these was an orientation group, which brought together carers of school age and preschool age children to identify key areas of need and to help develop the case studies listed above. The second stage comprised two review groups, one of carers with experience of looking after younger children, i.e. under school age, and one of carers of primary and secondary school aged children. These groups assessed lists of items from the main MIS budgets and identified areas where items needed to be changed or added to meet the needs of the relevant case study children. The third stage again had two groups, one of carers of older children and one of carers of younger children, who were asked to assess the changes suggested by the previous groups. The final stage was a mixed group, comprising foster carers with a range of experience of both older and younger placements, who were asked to resolve any outstanding issues and review the decisions reached by the previous groups.

Following the final group, budget amendments were identified and items additional or different to those included in the main MIS budget lists were priced. For comparability, those items included from the main MIS budget lists left unchanged by the fostering groups were uprated to 2013 prices.

Recruitment and participants

The Fostering Network advertised for participants in the study among its membership of approximately 56,600 individuals. In order to maximise research resources the Fostering Network targeted people living in the Midlands. As people came forward to express interest in taking part, clusters were identified and venues were selected in locations that were likely to minimise travel distances for participants. The groups brought together foster carers from a range of locations across the Midlands, including Leicestershire, Nottinghamshire, Derbyshire, Staffordshire, Warwickshire,

Worcestershire and Shropshire.

Participants were required to have a minimum of one year of fostering experience. In practice most had fostered for significantly longer. Foster carers were required to have experienced placements lasting more than 6 months. Consequently foster carers who only had experience of providing short placements, respite care, or emergency placements were not included in the final sample. A balance of participants was sought with experience of fostering either pre-school children or school-aged children, or both, and potential participants in the final sample were allocated to focus groups on this basis (see section on fieldwork).

Subsequently, in assembling groups, efforts were made to ensure that participants reflected a range of social backgrounds, housing tenures and ages, although as this was a qualitative research study there was no explicit aim of recruiting a representative sample. Socio-economic background was assessed in recruitment interviews primarily in terms of participants' occupational class, or former occupational class if they were not engaged in paid work outside the home in addition to their foster caring responsibilities. This was supported by further information about sources of household income, excluding payments relating to fostering (earnings, benefits or mix of both) and household tenure. To ensure comparability with the UK MIS participants were of working age.

Table 1: Location and type of groups

Stage	Group composition	Location (areas represented in groups)
Orientation group	Mixed – carers of younger and older children	Birmingham (Worcestershire, Warwickshire)
First stage review	Preschool children	Long Eaton (Leicestershire, Nottinghamshire, Derbyshire)
	School aged children	Birmingham (Worcestershire, Warwickshire)
Second stage review	Preschool children	Cannock (Staffordshire, Shropshire, Warwickshire)
	School aged children	Loughborough (Leicestershire, Nottinghamshire, Derbyshire)
Final group	Mixed – carers of younger and older children	Long Eaton (Leicestershire, Nottinghamshire, Derbyshire)

Groups were attended by a total of 42 people, with an average of seven participants per group. The majority of foster carers contacting the Fostering Network were

women, which was reflected in the fact that of the 42 people who attended, 31 were female and 11 were male. Table 1 shows the location and type of groups.

3. How is the cost of a foster child different to a birth child and why

MIS research is centred on identifying what a household needs in terms of a minimum living standard, what items and services are required to meet that need and how much that item or service costs. As in other MIS-related research, variation in MIS budgets for foster households can be conceived in terms of differences in: a) needs, b) items/services, and c) the quality, quantity or specification of items required.

a) Households including foster children may have different needs. For example, all households with a looked after child require a lockable filing cabinet for keeping records and documents relating to the looked after child(ren). For households in the MIS for the UK, a drawer in a storage cabinet is considered sufficient for domestic paperwork, but for foster carers, who are required to keep confidential records and documents relating to their foster children within their homes, something more robust and secure is required

b) They may face differences in the items needed. For example, for households with school age foster children the focus groups recommended a nightlight for the primary and secondary school children's bedrooms, as this helped some children feel more secure. This had only been included in the budgets for younger children in the UK MIS.

c) Difference in quality, quantity or specification. In some cases foster families require more sturdy furniture than the quality described in the main MIS groups in order to ensure that items are durable and do not need to be replaced too often, for example the fabric upholstered sofas in the main MIS were replaced with inexpensive leather sofas, better to cope with spills and other mishaps. Conversely, some items need replacing more frequently, so a cheaper option was considered more suitable – as in the case of preschool households where carers replaced a £90 book case from Argos with a £35 shelving unit from Ikea as an item likely to experience a great deal of wear and tear with children who were more likely to explore and climb on/up furniture.

Table 2: Overview of areas of different and additional cost by commodity category*

Commodity category	Type of difference	Which budgets are affected
Food and drink	Additional hospitality	Small amount for all households for hosting meetings. Additional needs for providing hospitality for school age households.
Clothing	Increase in quantity of school uniform	Primary school child
Household goods and services **-Safety** **-Furniture** **-Kitchenware**	Some differences relating to safety, fostering responsibilities, maintenance, behavioural issues and developmental needs as well as quality and lifespan of items	All households
Communication	Difference in mobile phone specification	Secondary school child
Personal goods and services	Additional items for personal hygiene	Primary and secondary school age children
Transport	Additional mileage to cover extra travel for contact visits (mostly for younger children), hospital appointments, travel to schools and to meetings.	Required for all households
Social and cultural participation	Additions for activities and gifts for birth family	Additional activities for school age children Gifts budget required in all households

*Excluding housing costs as discussed above.

A summary of differences between fostering and non-fostering households

Groups identified different or additional costs in most areas of household spending, although for some items this had a very limited effect on the budget, whereas in others it was more significant. Details about the groups' decision making in relation to these areas are discussed in the following sections.

Food and drink

For the most part groups agreed that the existing food budget would provide sufficient flexibility to meet the needs of a foster child. Participants mentioned that some children with a background of neglect were likely to eat more than they needed nutritionally and also to hoard food, but that this was not necessarily universal and did not merit the inclusion of additional items. Others mentioned instances where foster children might eat only a very limited range of foods as they were unfamiliar with a variety of food options, but that this was something that would change over time as they adapted to being in a different situation.

> *The little girl I had wouldn't have certain foods, she'd never tasted things. Her upbringing was you just get those tins of cold sausages, that's what she wants. She's never had the chance to try other tastes and it's hard then to try and get her to taste them. So the upbringing does have a knock on effect as to their eating habits.*
>
> *Foster carer, Cannock*

One group suggested that for the younger children it might be necessary to include nutritionally enhanced, or 'follow on' milk if they were under nourished, but later groups suggested that if this were included in the diet it would be balanced elsewhere as they were unlikely to consume this in addition to the amount of full fat milk already included for younger children.

All groups agreed that there were additional needs relating to hospitality in fostering households. Groups decided that in order to cater for the various visitors that came to the house in relation to the foster child an additional six cups of coffee and one packet of biscuits per month should be included.

> *They all have their social workers, they all have their annual reviews, they all have their PEP [Personal Education Plan] meetings and it all happens at my house, and I have to provide tea, coffee or cake for that.*
>
> *Foster carer, Cannock*

For school aged children there was also the need to provide extra food and drink for friends from school visiting the house, which was seen as important for their feeling of

acceptance among their peers and in being able to make and maintain friendships.

> *It's a very crucial thing with a lot of looked after children, you know, they don't make friends easily and you're facilitating and you'll do anything you can to facilitate…Like I have children coming round, you know, it's the extra lollies you give to friends and you know inviting them round for tea, drinks, all that sort of thing that you do to help the children to try and establish and socialise with friends.*
>
> *Foster carer, Long Eaton*

For primary school children this usually involved other children coming for tea after school, whereas for secondary school children it could mean other children coming for tea and sometimes staying for a sleepover, requiring an evening meal, breakfast and possibly lunch the next day. Whereas in the main MIS, reciprocity of children visiting each other's houses means that the cost of having an additional child visiting is cancelled out when their child goes to eat at a friend's house, this was considered much less likely for foster children. Carers said that while other children were keen to visit their house to 'see what it was like', it was rare for the foster child to be asked to someone else's house in return.

> *Carer 1: They come to see what the foster child has.*
> *Carer 2: Yes – to visit the zoo.*
> *Carer 1: I mean we're quite lucky because… our kids do quite often get invited back, but not the youngest one … and yet her friend will come round and stop at our place.*
>
> *Foster carers, Loughborough*

Groups agreed that the budget for foster carers should include an amount equivalent to an extra day's food and drink a month for primary school children (to cater for multiple visits throughout the month) and one extra day's food and drink a week for secondary school children (to cater for children visiting and for sleepovers).

Household goods: safety

Safety was a major concern among participants, and while different fostering agencies and local authorities were reported to have different health and safety requirements, groups found it fairly straightforward to establish a minimum acceptable benchmark. This was in marked contrast to the main UK MIS where households with children only specified a very small amount of safety-related equipment, and only pensioner groups discussed the need for additional security-related items (for example a chain on the front door). In foster households with younger children groups said that a bolt positioned at adult-height for both front and back doors, as well as for the garden gate were essential, as it was important to keep children safe and they might not understand the potential dangers of going out alone.

There are a lot of children that I've taken, specifically from neglect backgrounds, tend to have free access to come and go as they please. This young age, a 3 year old, I've seen 18 month olds able to open the lock, they can't always feed themselves but they can [un]do a Yale lock.

Foster carer, Long Eaton

Fire extinguishers and fire blankets were also included for all households, as well as two smoke alarms and a carbon monoxide monitor, with replacement batteries once a year. While these are perhaps common sense precautions for any household, fostering households are subject to regular inspection to ensure that such things are in place, which may explain why participants had a heightened awareness in relation to safety.

The UK MIS budgets for preschool children include a safety kit, which contains an assortment of socket covers, corner cushions, cupboard catches, etc. to which foster carers added extra socket covers as these were needed for every socket downstairs, rather than making do with the number included in the kit. They also increased the number of stair gates required, from two in the main MIS for toddlers (one for the top and bottom of the stairs) to four, to provide one for the kitchen and one for the child's bedroom, as a way of keeping them safe in their room but not having to close the door on them if they were in there playing.

Carer 1: Sometimes you've got a bedroom for young toddlers, it's a safe environment for them, so what a better place for them to play than in a safe environment that's already set up. If you're working in the kitchen then you have your play pen or your portable play area, it's about portability and our lives as well, working alongside the child.

Carer 2: And you can be upstairs with the other children but you can just put the tot in his bedroom with the door open and you can see them and they can see you but you still have to have that gate.

Carer 1: Because of other children you've got to have the gate up the stairs because they might get out ... There's so many permutations of things going wrong.

Foster carers, Cannock

They said that these stair gates would also be needed for the preschool child and that they would need to be good quality and fixed to the walls in order to withstand children trying to open them or climb up them. They also included an inexpensive travel cot to act as a playpen, which would be a convenient and safe place to put very young children for a few moments if the foster carer needed to go to the front door, or use the lavatory. They said that this would be an item that could stay with the child so that if they returned to their birth family or went to another placement the travel cot would provide an element of familiarity and continuity for them.

Other security-related items include:

- the addition of the lockable filing cabinet for official documentation (see above);
- an additional lockable box/cupboard to keep medicines, hazardous materials (e.g. domestic cleaning fluids) and, in school age households, kitchen knives in (for security and as a requirement where there was a risk a child might self-harm);
- a lock for the bathroom door that can be unlocked from the outside (in all households);
- and, after some debate, a lock for each bedroom door (school aged households only).

The addition of locks for each bedroom door in foster carer households was related to privacy and fairness – some people said that they had found it necessary to provide a lock for a birth child's room in order to make sure that other children did not enter the room without permission, but that then it was necessary to provide them for the other bedrooms so as not to be seen to be treating children differently. In the end, groups agreed to include the bedroom locks for households with older children but agreed that whether or not they were used would be down to individual choice, and they specified a type of lock that could only be opened or locked with a key, which the foster carer could retain to prevent children locking themselves into their rooms. The bedroom door locks caused a great deal of discussion, with some participants reporting that they had been advised to have a lock on the adults' room or on each bedroom, while others were resistant to this as they said that this was not compatible with their idea of a 'family home'. This was a recurring theme with some of the health and safety-related aspects of caring, revealing the tensions between fulfilling requirements to protect children from harm, while also providing a 'home'.

> *With Jenny certainly if she's still having your fridge guard, your cooker guard, where is it that you would naturally teach a 3 year old, don't touch. I said, "don't touch because you'll get hurt", whereas you don't need to when there's a guard on everything, so therefore they never learn. That's the hard side you're constantly playing your average home and family where a child should be allowed to learn without endangering the child.*
>
> *Foster carer, Long Eaton*

There were also tensions between safety and security, for example where carers agreed that window locks or restrictors were necessary for all upstairs windows, but were aware that the fire service does not recommend this as it makes it more difficult to exit the house in an emergency.

Carers of younger children also specified that there should be a catch on the kitchen bin to restrict access and a similar type of bin for recycling items to ensure that children did not get food or cans and bottles out of the bins.

Household goods

When discussing the provision of furniture, and in particular how long it could be expected to last, foster carers explained that their situation was different from that in the UK MIS:

> *With foster placements you always tend to have children of the same age and that's the massive difference. If you've got a 3 year old [birth child] you've got a 3 year old for a year, if a foster carer has got a 3 year old they tend to have a 3 year old forever, that's the difference.*
>
> *Foster carer, Birmingham*

The implications of having perpetual 'x' year olds are seen across the budgets for households with children. For example, in the UK MIS budgets the bed for the infant/toddler is a cot bed, based on the assumption that as the child gets older they would no longer need to be in a cot. Foster carers looking after infants/toddlers however, said that this would need to be a cot as they were potentially looking after successive one year olds.

The UK MIS budgets for households with children include two fabric-covered sofas that are expected to need replacing every eight years. This was agreed as the acceptable minimum standard after much discussion within groups where, in 2008 and 2012, participants said that leather sofas were 'nice to have' rather than a genuine need as a minimum. The groups of foster carers were agreed that fabric upholstery would be unlikely to last as long as eight years as their sofas were more likely to experience spills and other accidents which could soak into cushions, as well as being treated more roughly. Having furniture that could be wiped clean and was more resistant to damage was more practical and economical, especially as they would be unlikely to be able to expect any kind of warranty or insurance claim to help with replacing the item.

> *And you often find the kind of damage that your furniture will get won't be covered. You know when they say manufacturing faults they don't mean excessive amounts of 3 year olds bouncing off of it.*
>
> *Foster carer, Birmingham*

Participants said that the minimum in foster carer households would be inexpensive leather sofas, which could be expected to last for three years, as this was cheaper than having fabric sofas and replacing the covers each year, something that had also been suggested. Some participants said that they would prefer to buy a better quality item at a considerably higher price but agreed that this would amount to an equivalent cost over time as it would last a great deal longer than the cheaper item.

As leather sofas were included groups also said that additional soft furnishings would

be needed in order to make a more 'cosy' environment for the child.

> *Normally if they're cuddling up to you on a sofa you'd have a blanket there so they'd be wrapped in a blanket next to you.*
>
> *Foster carer, Birmingham*

Cushions are included in the main MIS budget for the primary school aged child to add an extra element of comfort and groups of carers said these should also be added for the secondary school child.

> *Carer 1: It's probably a 14 year old that's not able to come and give you a hug so much as probably Lucas [primary school case study child] might be able to come and give you a hug.*
> *Carer 2: Also your own 14 year old child can come and snuggle up to you.*
> *Carer 1: Well my 28 year old sits there cuddling the cushion.*
> *Carer 2: Yes or they can snuggle up to you but a foster child may not want to do that so they use that as a comfort.*
>
> *Foster carers, Loughborough*

Both of these items were agreed as being necessary, and were expected to last six months (compared to the lifespan of five years for cushions in the UK MIS), because foster children, who may have behavioural and attachment issues, are more likely to chew and/or pick at things, necessitating more frequent replacement.

As mentioned previously, foster carers of younger children said that the £90 bookshelf from Argos expected to last 10 years in the main UK MIS budgets should be replaced by a £35 Ikea version, which would need to be replaced every 3 years.

> *If you go to your case studies and your mindset is surely, this girl's coming in, she's three years old, she's come from probably a chaotic background, there's a history of neglect, so she's not going to have any boundaries in relation to, you know she's not going to respect anything in the house because she's never been educated to respect anything. So your mindset when somebody like that comes in and probably reinforcement in the first couple of weeks of her being there is, this stuff, she's going to hammer it while she's here and you know, maybe we could wean her off that kind of neglect of property and the rest, but your mindset surely is that as she goes you've got to bin it and go for another one.*
>
> *Foster carer, Cannock*

However, groups also agreed to include a cheaper, more basic highchair than in the UK MIS budgets. The highchair, which was from Ikea and was expected to last 10 years as it was extremely sturdy, was therefore a reduced cost in comparison with the UK MIS budgets. This was seen as a harder-wearing item than the highchair included in the MIS for the UK, which would only be expected to last for one or, at most, two

children and would only be required for a relatively short period.

The dining table and chairs in the main MIS were identified as needing to be changed as foster carers specified that the chairs should all be of solid construction, whereas in the UK MIS there are four solid chairs and two folding ones, and that there should be no gaps in the back of the seat as children might fall through them. This was partly a safety consideration and also an acknowledgement that for some children, sitting on an adult-type chair at a table to eat was an unfamiliar experience and took some getting used to. Carers said that it was not uncommon for children coming from a background of neglect to have some element of developmental delay which meant that they had to learn how to do things that other children of similar ages would have mastered at a younger age. This was cited as the reason for including plastic plates, bowls and cups and child-sized cutlery not only for the youngest children, but also for the primary school aged child. It was also recommended that households with secondary school children were provided with plastic crockery, but this was explained as more likely to relate to behavioural issues where items could sometimes be thrown and broken, so a sturdier set of items would be a requirement. The waterproof tablecloth included in younger children's budgets in the main MIS was also added to the school age children's budgets, with provision to replace it every year, rather than every five years.

As the younger children were likely to be having regular contact with family members they were also said to need a lunch box and drinks bottle for carers to provide them with a meal to have during contact. These items needed to be replaced every six months, partly as they were likely to be left behind when the child left contact, and partly because foster carers said it was important for the children's things to appear in good condition, so as not to provide a basis for negative comments from either social workers or birth parents. The younger children's leak-proof cups which were expected to be replaced once a year in the main MIS needed to be replaced once a month for the infant and once every three months for the preschool child.

There were some adjustments made to the list of items needed for the children's bedrooms. These included changing the type of mattress in the infant's cot to ensure it was breathable, hypoallergenic and water repellent, changing the primary school child's bed from a wooden to a metal frame to make it more resistant to damage, and reducing the lifetime of the chest of drawers in the primary school child's room from 10 years to five years, because of the likelihood of more wear and tear. For school aged children, groups added an inexpensive desk and chair for their bedrooms. Whereas in the UK MIS it was thought to be sufficient for the school children to have access to the dining table on which to do writing, drawing, homework and so on, looked-after children were said to have a greater need for privacy and the ability to spend time writing and drawing in their rooms rather than in a shared area.

Carer: They need somewhere that they can go quiet, to their own space and they might be writing a diary, they might be writing a story, it's their space isn't it.

Moderator: Is that something that's different for looked after children?

Carer: I think it is because they've probably got more secrets than what your own children would have because you would be talking about that as you go through life wouldn't you. But they've come in with baggage, they're coming with all the bits and pieces still in their minds. So sometimes they don't want anybody else to know that so they'll write it down. So for looked after children it's probably more important to have that time than it would be your own because with your own you just all tend to sit and talk about things.

Foster carer, Birmingham

Groups also added nightlights for older children, for reassurance, and changed metal over-door hooks to stick-on plastic ones for the primary school child for safety reasons. The quantities of bedding were increased for all ages of foster children and the replacement rate was increased to take into account greater wear and tear, due to possible bed wetting and soiling. The more frequent replacement rate also reflected the need for secondary school aged children to have something age-appropriate changed more often than the ten year interval in the UK MIS, as the appearance of their bedrooms was considered to be more important, especially if and when friends came to stay. The inflatable mattress in the UK MIS for secondary school children's bedrooms to be used for sleepovers was also thought to need replacing more frequently, and a sleeping bag and pillows were included as participants thought the guest child should have separate bedding rather than using some of the secondary school child's own. Groups also included disposable bed mats for the primary school child, as these were thought to be more conducive to successfully managing night time toilet training than 'drynites' disposable absorbent pants.

Carers said that foster children are not allowed to enter the bedrooms of their foster carers and so the preschool child would not be able to access the mirror included in the parents' bedroom furniture in the UK MIS. For this reason, they said that the three year old should have a stick-on safety-glass mirror as part of her developmental needs and also to be able to enjoy playing dressing up games. A similar mirror was substituted for the conventional glass mirror in the secondary school child's bedroom for safety reasons.

In the main MIS, there is some provision for toys for the infant/toddler, pre-school and primary aged children. Participants in groups noted that often foster children arrived with delay in their development due to neglect and abandonment, and more often than not arrived at placements with no toys of their own. The provision of toys was seen as crucial not only as a means of compensating for developmental delay, but also for providing foster children with things they could call their own. For this

reason, the groups increased the existing budget allocated for the provision of toys for toddlers and primary aged children, and added a budget to provide toys for both pre-school and secondary aged foster children.

Household services

Participants talked about the importance of having work around the house undertaken by qualified professionals, rather than attempting to do DIY 'jobs' themselves. Whereas in non-fostering households it would be acceptable to perform minor DIY tasks such as fixing bookshelves to wall brackets or installing smoke alarms, for fostering households if anything happened relating to work carried out by the carer or other members of the household foster carers would be held responsible. There was therefore a need to be able to show that jobs such as this had been undertaken by an appropriately skilled person.

Carer 1: Also, I mean it sounds a bit sort of cover your back but for me, if I'm putting something on the wall in a foster child's bedroom, I need to know it's not coming off the wall because I don't need to be sued, I don't need my insurance to go through the roof and I don't need to go in for any meetings of you know why your house isn't safe… for a lot of carers whatever you provide has to be dead on and it has to be safe and you might have to pay somebody to make sure that that is that way.

Carer 2: It is about backside covering and gold plating. So I can fit a smoke alarm, I can do a lot of the stuff in the house. Whether I would, in a foster setting, whether I would be comfortable doing that, because a bookshelf gets pulled over by a kid on top of himself and then -

Carer 1: Who put it up?

Carer 2: Yes.

Carer 1: Were they qualified, did they know what they were doing?

Carer 2: Yes, absolutely. So possibly once the house has been approved as a foster setting, anything else that needs to go in you could argue needs to be professionally installed.

Foster carers, Cannock

After much discussion, groups agreed to include the cost of a day's work once a year to do various jobs around the house, which could include maintenance and also repair, the latter particularly important in households with older children.

Foster carers also noted a requirement to have gas and electricity safety certificates demonstrating that the property had been checked and approved as meeting safety standards, and that this could cost up to £80 for each utility. However, as the MIS budgets are based on an assumption that households are accommodated in social housing, this cost would be borne by the landlord rather than the tenant. Consequently no additional money was allocated for this, but this is recognised as an

additional cost for foster carers living in owner-occupied housing.

Clothing

Foster carers agreed that clothing items belonging to foster children were likely to need replacing more frequently than for non-fostered children. This was partly to do with looked-after children who come from a background of neglect being less aware of how to keep clean and tidy, being more likely to chew or pick at clothes, as well as being more likely to lose them. It was also partly because it was important to make sure that foster children did not wear anything that was damaged or stained as this would reflect badly on the level of care being provided.

> *Carer 1: Sorry that's the other thing with contact is that if we send our kids out to play our own kids we'll say "Oh put your old jeans on and tee-shirt". But when we send them to contact it doesn't matter what background they've come from and the level that they've been living at their parents will pick on anything.*
>
> *Carer 2: At 3?*
>
> *Carer 1: Yes but they'll pick on anything to come back at us because that's the only tool they've got, that's the only thing they've got to do is to say we're not happy because of this. So you're in this pressure cooker to put them in the best, cleanest the nicest, newest just so that the parents haven't got anything to moan at.*
>
> *Carer 3: And other professionals because the health visitor will be looking at the state of the child when she visits the nursery workers will be judging you on that so whereas with your own 3 year old who has got a little hole in her tights you go oh they'll do for today. You get a note from that child or the social worker will get a phone call, did you know she turned up with a hole in her tights and as a foster carer you go for crying out loud. But there is that expectation and so that costs.*
>
> *Foster carer, Birmingham*

However, the focus groups said that the MIS for the UK clothing budgets did not need to be changed for foster children as the quantities of items would be sufficient to meet their needs, with the exception of increasing the primary school child's school uniform jumpers and trousers from three to five in order to compensate for damage and loss. The level of provision for laundry in the main MIS budgets was thought to be satisfactory for all children except for the primary school child, whose allocation was doubled from two lots per week to four, and stain remover (only in the primary school budget in main MIS) was added for all ages of children.

In the MIS for the UK, tumble dryers are only considered to be essential in households with three or more children. Carers said that although personal choice dictated whether or not people used a tumble dryer, for foster carers it was an essential item,

chiefly because of concerns relating to the safety of collapsible airers and the health implications of having damp washing hanging on radiators, which was thought to be likely to cause problems such as mildew and to exacerbate asthma or other breathing problems in children.

Communication and technology

All working-age household budgets in the UK MIS include one computer for shared use in the home and the cost of a telephone landline package including free evening and weekend calls and broadband internet access. There is also a modest amount included for additional telephone charges incurred from phone calls made outside the 'free calls' time and for calls to numbers excluded from the package (e.g., 0844 numbers). Each adult has a mobile phone on a cheap contract (£7.50 per month) which includes 5000 texts and 120 minutes of calls per month.

As in the UK MIS, after much discussion about mobile phones the groups agreed that the secondary school child should have a mobile phone for reasons of safety, so that they could contact their carers and be contacted if they were out of the house. However, there was a tension between the acknowledgement that older children were likely to want the same kind of mobile phone as others in their peer group, and what was considered the minimum acceptable standard for this item. For these groups there were additional issues relating to safety and contact – iPhones and BlackBerries, as well as most other smart phones, might allow unsupervised access to the internet, which could cause problems and expose an already vulnerable young person to greater risk. After much discussion, consensus was reached on the inclusion of a very basic phone that could only be used for making and receiving phone calls and sending and receiving texts, but did not have internet access or a camera. This was seen as meeting the absolute minimum requirements for communication, as participants were sensitive to the safety issues relating to this item and its use, and therefore did not feel it was appropriate to specify that a phone that could be used to take photographs and access the internet should be included for every looked-after child. While being aware of the tensions that this might cause, and difficulties within households where it would not be considered fair to allow birth children to have a different type of phone to that given to looked-after children, groups agreed that if carers felt that it would be acceptable to provide a different or more advanced type of phone this would have to be an individual decision based on their assessment of the risks. They said that while it was quite possible that secondary school children would want a more technologically capable phone in order to fit in with their peers, the basic non-contract phone would meet the minimum needs for communication.

Personal goods and services

There were very few changes in this section. The main one was an agreement to increase the amount of nit shampoo included in the school aged children's budgets.

This was partly because foster carers were unable to manage repeat bouts of head lice by having children's hair cut short as they might do with birth children, and because sometimes children came back from contact re-infected. Groups also increased the allowance of toilet roll for school aged children from two rolls per week to three. Participants noted that foster children with backgrounds of neglect may never have had toilet roll and consequently often used more than children may otherwise use.

Transport

In the MIS for the UK, households with children have one second hand vehicle per household, with provision of bus passes for one adult and any children of secondary school age. In households with one or two children, the car costs are based on a five year old Ford Focus. In larger households with three or four children the car included is a seven-seat Vauxhall Zafira, also five years old[4]. The transport costs include vehicle purchase, tax, MOT, annual maintenance, breakdown cover and depreciation as well as fuel. Groups agreed with this level of provision, but said that the weekly mileage should be increased by a factor of 1.5. This was to take into account the range of additional journeys associated with being a foster carer. These included: taking looked-after children to and from school, particularly if they were attending school in a different area to the foster carer's home; attending meetings, appointments and training necessary for their role as a foster carer; taking looked-after children to health appointments as there were often referrals to see different professionals; and taking looked after children to contact with birth parents.

Social and cultural participation

All groups agreed that looked after children needed to be provided with 'memory boxes'. These are sturdy boxes that can be decorated and personalised and are used to contain keepsakes, souvenirs, photograph albums and so on. The boxes go with the children if they move to another placement. Carers allowed a budget of £5 per month per child to pay for developing photographs, and providing photograph albums, scrapbooks and craft materials to personalise and decorate the box. This was a separate, additional amount specifically for the foster child, which would be in addition to the provision in the UK MIS budgets for households to be able to print off and display photographs at home (a colour printer, a pack of photographic paper, colour ink cartridges and clip frames).

The main MIS includes a budget to provide the primary school child with two activities each week outside school, for example going to scouts and having a swimming lesson. The secondary school child in the UK MIS is allocated £200 per year to provide one activity each week. Groups said that the secondary school foster child's budget should be increased to £400. This could either be used to enable them to do

4 In households with three children where all are of secondary age, the Vauxhall Zafira is replaced by the Ford Focus.

two activities a week, or to engage in more expensive activities, for example indoor climbing, less frequently. It was considered important to be able to provide a range of experiences and opportunities that children might not have had access to before, as this could address core developmental needs, improving their self-esteem and helping them to become more independent and confident.

Groups looking at the needs of school aged children also said that greater provision was required for school holidays to ensure that foster carers were able to provide a range of stimulating activities and experiences. There were varied rationales for this, with carers citing children's need for structure and the benefits of being able to have something planned for most days during the holiday, as well as wanting to give children the opportunity to do and see things that they would not do ordinarily, such as going on a train or visiting the seaside. After much debate and deliberation, it was agreed to include £10 a day for 24 days (4x5 week days plus 4x1 weekend day) for both the primary and secondary school children.

In the case studies, all the looked-after children came from a family of two other siblings. In recognition of this, groups agreed that they should be able to give Christmas and birthday presents to their close relatives and allocated £5 for each adult for a small token present, such as a box of chocolates for each Christmas and birthday, and £10 for each of their birth siblings for birthdays and Christmas. This was thought to be important in helping to maintain relationships with their birth family.

Other items with no effect on the budget

Holidays were discussed but no additional provision was required as groups agreed with the minimum standard of a one week self-catering holiday in the UK, as in the main MIS. Although foster children need to have their own room when on holiday it was agreed that birth children could share a room so this would not necessarily incur additional costs. Groups did raise concerns relating to their experiences of utilising hotel accommodation and the additional expense incurred if carers had to book adjoining rooms as looked after children could not share a hotel room but could also not be in their own, separate room, but this was outside the standard holiday agreed in the UK MIS.

The MIS for the UK budgets are presented with and without childcare costs as this is an extremely variable cost for households in terms of the amount required and the price at which it is available. The foster carers said that younger children were unlikely to be attending formal childcare such as a nursery or child-minder and the expectation was that foster carers would provide this care themselves.

Babysitting is not included explicitly in the MIS for the UK budgets as the focus groups agreed that any money required for this would have to come from the adults' leisure budget. Foster carers discussed the difficulties of accessing babysitting for

a range of reasons, including the necessity of ensuring that anyone having this type of contact with the children had been assessed through the Disclosure and Barring Service. They also mentioned that the challenging behaviour of some looked-after children and issues relating to trust and attachment meant that it was often not possible to access the informal assistance of relatives that other households might be able to use. Some carers said that they had been able to make reciprocal arrangements with other foster carers they knew. They concluded that the reality of the situation was that it was unlikely that they would be in a position to hire babysitters and that this was therefore not something that needed to be adjusted in the budgets.

Insurance was mentioned frequently in discussions but while some participants said that they had to pay higher premiums for household and car insurance as a result of informing their insurers that they were foster carers, others said that it was possible to find providers who did not charge more.

Pocket money and savings were mentioned in all groups, and there was universal concern about the amounts that guidance said should be set aside for this. Generally groups agreed with the main MIS that they did not believe pocket money to be a need for children under secondary school age, and while they did not object to the principle of savings, participants expressed concern at the varying levels suggested or imposed by different local authorities and fostering agencies. As there was no consensus about what levels these items should be set at, or even if they should be included at all, the default position is to leave the main MIS provision unchanged, which is £5 pocket money per week for secondary school children, £10 per month allocated for primary school children for incidental treats, rewards, etc. such as the occasional comic or some stickers and no savings for any of the children.

4. The additional costs of fostering

This chapter explores the findings relating to the additional costs associated with fostering. The percentage extra cost of fostering can be looked at in two ways: firstly as the proportion that this adds to whole household budgets and secondly as the percentage difference in the additional cost of having a foster child compared to a birth child. This chapter explores the former by looking at differences in household budgets for two illustrative household types with and without foster children and provides an indication of the impact that foster children have upon what households need to spend (excluding rent, childcare and council tax) in order to achieve a minimum socially acceptable standard of living. The second section focuses more specifically on the additional costs associated with particular ages of foster children how these costs change over the course of childhood, from ages 0-17, and how these compare to the additional costs of having a birth child.

The two illustrative household types used as the basis of the analysis are couple parents living with three children and lone parents living with two children. The calculations presented here assume that the gaps between children are equal to the median gap between children (identified from Family Resources Survey data) which is just under three years for each additional child. The resulting household compositions presented here do not reflect the full range of possible foster care circumstances, but the calculations made here can be repeated for each of the household types with children, making adjustments to the ages and combinations of both birth and foster children.

Overview

Adding a foster child to a household increases the budget required to achieve a minimum socially acceptable standard of living when compared to households with the same combination of birth children, excluding housing costs and childcare. This is the case irrespective of the age of the foster child, although generally household budgets experience a larger increase as the age of the foster child increases. The addition of a foster child to a lone parent household has a greater effect than in a couple parent household in terms of the percentage increase in respective budgets.

On a child by child basis, the average cost of foster children is 40 per cent more than birth children in couple households; in lone parent households, the average cost of foster children is 36 per cent more than birth children. The average cost of foster children in couple households, across all ages 0 to 17, is £119 a week compared with £86 for birth children in couple households – a difference of £33 a week. For foster children in lone parent households the average cost is £127 a week compared with £93 for birth children – a difference of £34 a week.

The cost of housing

Although the figures explored in this chapter exclude housing costs (rent and council tax), a potentially significant factor affecting the additional costs of fostering, and more broadly impacting upon both the amount households need and their ability to reach a minimum standard of living, is the cost of housing (Padley & Hirsch 2013: 21). The main UK MIS is based on a model of social housing as this continues to be seen as constituting the minimum socially acceptable standard of housing. However, the last decade has witnessed significant shifts in housing tenure:

- the number of households in the private rented sector housing increased by 80% between 2002 and 2012, whereas the number of households in social housing decreased by 4% over the same period (DCLG 2012: 46);
- the numbers and proportion of households in the private rented sector in 2011-12 were at the same level as in the social sector, 3.8 million households or 17% of the total (DCLG 2012: 9);
- In 2002 there were 1.8 million fewer households in the private rented sector than in social housing. In 2012, there were 35,000 more households in the private rented sector compared to social housing;
- owner occupier households accounted for 71% of all tenures in 2002, but this had fallen to 65% in 2012 (DCLG 2012: 47).

Compounding the shift from social housing to the private rented housing, Shelter estimates that average rents in the private sector in England increased by approximately £300 a year between September 2011 and September 2012 (Shelter 2013: 3).

Table 3 provides a comparison of social housing costs used in MIS 2013 and two figures for average private rental prices in England. It outlines the weekly cost of two, three and four bedroom houses, and calculates the cost of an additional bedroom as the difference between a two and three bedroom and a three and four bedroom house. The cost of the additional rent for a larger property could then be taken to represent the housing 'cost' associated with a foster child[5].

It is clear from this comparison that using a model of minimum costs based on social rents understates the cost of housing to families in private housing; for private tenants living in England an additional child needing an extra bedroom could add between £20.71 and £135.55 a week, while in social housing an additional bedroom adds only between £5.50 and £10.65 a week. What this comparison also reveals is the significant degree of variability in the cost of an additional room, depending on the source of housing costs used, highlighting the difficulty of producing a standard minimum cost for an additional room in the private rented sector:

5 This is the method used by Oldfield (1997, p43ff) who calculates the foster child's share of direct housing costs as either the value of the extra rent for a larger property(a one bedroom flat compared to a three bedroom house) or as the difference in mortgage repayment level between a two and three bedroom house.

- using an average of the Local Reference Rents the cost of an additional room would add £26.52 (including London) or £22.60 (excluding London) per extra room;
- using the mean of the Average private rental market housing costs for an additional room would add £78.13 (including London) or £71.46 (excluding London) per extra room;
- using an average of both figures for private rents would add £52.32 (including London) or £47.03 (excluding London) per extra room.

Table 3: Comparison of housing (rental) costs

	2 bedroom house (£ per week)	3 bedroom house (£ per week)	4 bedroom house (£ per week)	Cost of additional bedroom (2 to 3 bedroom) (£ per week)	Cost of additional bedroom (3 to 4 bedroom) (£ per week)
MIS housing costs (social housing)	81.38	86.88	97.53	5.50	10.65
Average private rental market housing costs for England Apr 2012 - Mar 2013 (excluding London)*	134.73	158.96	277.66	24.22	118.70
Average private rental market housing costs for England Apr 2012 - Mar 2013 (including London)*	157.18	177.90	313.45	20.71	135.55
Local Reference Rents[1] for England June 2013 (excluding London)~	108.01	133.44	153.21	25.44	19.77
Local Reference Rents for England June 2013 (including London)~	118.01	146.52	171.04	28.51	24.52

The Local Reference Rent is the mid-point between what in the rent officer´s opinion are the highest and lowest non-exceptional rents in a given Broad Rental Market Area.

*Source: Valuation Office Agency http://www.voa.gov.uk/corporate/statisticalReleases/130530_PrivateRentalMarket.html

~Source: Valuation Office Agency http://www.voa.gov.uk/corporate/Publications/LocalRefRents/lrr130630html

A further difficulty with this comparison is that it does not capture the housing costs of foster carers who are owner occupiers rather than living in rented accommodation either in the private or social sectors. Using average mortgage repayments as a

measure of housing costs brings with it a number of problems, for example, to what extent do these take in to account and reflect the potential profit resulting from owning rather than renting, and how reasonable is it to assume that the difference in price between a two and three bedroom house will be reflected in mortgage repayment levels, when there are many other factors impacting on this, such as the status of the house buyer, mortgage interest rates and so forth. One way to capture the housing costs incurred by owner occupiers that bypasses the complexities of mortgage repayments is to consider the opportunity cost of a single 'spare' room – that is, what might be the potential financial benefit that owner occupiers would forgo in using a 'spare' room for a foster child rather than letting this room on the private rental market: what would owner occupiers be able to charge for an un-occupied single room with shared facilities in their house if not being otherwise used. Table 4 provides a comparison of single room rate costs using both Local Reference Rates and average private rental costs.

Table 4: Comparison of single room rate costs

	Mean additional room cost (£ per week)	Median additional room cost (£ per week)
Average UK private rental market housing costs Apr 2012 - Mar 2013 (excluding London)*	75.79	74.89
Average UK private rental market housing costs Apr 2012 - Mar 2013 (including London)*	80.32	74.79
Average Local Reference Rents June 2013 (excluding London)~	69.36	68.50
Average Local Reference Rents June 2013 (including London)~	72.45	69.27

*Source: Valuation Office Agency http://www.voa.gov.uk/corporate/statisticalReleases/130530_PrivateRentalMarket.html
~Source: Valuation Office Agency http://www.voa.gov.uk/corporate/Publications/LocalRefRents/lrr130630.html

It is clear from Table 4 that there is significantly less variability in the average costs of a single room than in the average costs of an additional bedroom in the private rental market. However, it is also apparent that the average costs of a single room, which may be taken as the opportunity cost to owner occupiers, are well above most of the average costs of an additional bedroom.

What these two comparisons of housing costs underline is the difficulty of establishing a robust and useable figure that captures the additional costs of housing across different fostering households. This is an issue that has been faced by others involved

in exploring the costs of children. Both Piachaud (1979) and Lovering (1984) excluded housing costs when estimating the cost of a child, and more recently Hirsch (2013) acknowledges the variability of housing costs and the potentially significant additional costs faced by families in the private rented and owner occupier markets. Recognising the variability in housing costs across regions, housing sectors and different fostering households, the figures presented in the main analysis in this chapter exclude housing costs and the associated council tax.

The cost of fostering to households

Tables 5 and 6 provide a comparison of the weekly MIS for the two illustrative households, couple parents with three children and lone parents with two children. These figures show the additional cost of fostering: how much more households with foster children of given ages need to achieve the same standard of living as households without foster children. For example, this research has established that a couple with a primary aged foster child and primary and secondary aged birth children require £36.87 more each week (£1923 a year) to reach the same standard as a couple with two primary and one secondary aged birth children. A lone parent with one fostered secondary aged child and one birth secondary aged child needs an additional £45.68 each week (£2382 a year) when compared with a lone parent with two secondary aged birth children. These figures indicate that fostering creates additional needs and costs and that these have an impact on what households require in order to achieve a minimum standard of living.

The illustrative households presented here show that the budgets for households that include foster children are between 5 and 12 per cent higher than those in households without foster children. The figures also show that the addition of a foster child to a lone parent household has a greater impact, in terms of the percentage increase, than in a couple parent household. This is not because foster children in lone parent households have different needs to those in couple parent households, but rather because within lone parent households children (birth or foster) account for a greater proportion of the overall budget.

Table 5: Comparison of weekly MIS for couple parents with three children – additional cost of fostering to weekly household budget (excluding rent, council tax and childcare)

Case study foster child	Household composition	Household all birth children total (£)	Household with case study foster child total (£)	Additional fostering cost (£)	Additional fostering cost as % increase
Ben - 1 yr old LAC (*toddler*)	Couple parents with three children (*toddler, pre-school, primary*)	502.16	526.93	**24.77**	**4.9%**
Jenny - 3 yr old LAC (*pre-school*)	Couple parents with three children (*pre-school, primary, primary*)	518.01	542.09	**24.07**	**4.6%**
Lucas - 7 yr old LAC (*primary*)	Couple parents with three children (*primary, primary, secondary*)	547.11	583.98	**36.87**	**6.7%**
Lily - 14 yr old LAC	Couple parents with three children (*primary, primary, secondary*)	547.11	587.05	**39.94**	**7.3%**

Table 6: Comparison of weekly MIS for lone parents with two children – additional cost of fostering to weekly household budget (excluding rent, council tax and childcare)

Case study foster child	Household composition	Household all birth children total (£)	Household with case study foster child total (£)	Additional fostering cost (£)	Additional fostering cost as % increase
Ben - 1 yr old LAC (*toddler*)	Lone parent with two children (*toddler, pre-school*)	332.70	363.26	**30.55**	**9.2%**
Jenny - 3 yr old LAC (*pre-school*)	Lone parent with two children (*pre-school, primary*)	347.00	376.58	**29.59**	**8.5%**
Lucas - 7 yr old LAC (*primary*)	Lone parent with two children (*two primary*)	353.52	395.76	**42.24**	**11.9%**
Lily - 14 yr old LAC	Lone parent with two children (*two secondary*)	401.37	447.05	**45.68**	**11.4%**

Tables 7 and 8 give an indication of the difference in the proportions of household

budgets made up by birth children and fostered children in the illustrative households. Generally, foster children account for a greater proportion of the total household budget than birth children. For example, in a couple parent household with a secondary aged foster child and two primary aged birth children, the foster child accounts for nearly a quarter (23.56%) of the household budget. In a household with the same ages of children, but where all children are birth children, the secondary aged child accounts for only 18 per cent of the weekly household budget. In a lone parent household with two primary aged children, one fostered and one birth child, the foster child accounts for 31 per cent of the household budget. In the same household with two primary aged birth children, the youngest primary child accounts for only 23 per cent of the total household budget.

Table 7: Comparison of weekly MIS for couple parents with three children – cost of a child as proportion of total household budget (excluding rent, council tax and childcare)

Case study foster child	Household composition	Household all birth children total (£)	Cost of birth child (£)	Household with case study foster child total (£)	Cost of fostered child (£)	Cost of birth child as % of total HH budget (£)	Cost of fostered child as % of total HH budget
Ben - 1 yr old LAC (*toddler*)	Couple parents with three children (*toddler, pre-school, primary*)	502.16	66.82	526.93	90.39	**13.31%**	**17.15%**
Jenny - 3 yr old LAC (*pre-school*)	Couple parents with three children (*pre-school, primary, primary*)	518.01	76.32	542.09	99.02	**14.73%**	**18.27%**
Lucas - 7 yr old LAC (*primary*)	Couple parents with three children (*primary, primary, secondary*)	547.11	81.43	583.98	116.89	**14.88%**	**20.02%**
Lily - 14 yr old LAC	Couple parents with three children (*primary, primary, secondary*)	547.11	99.93	587.05	138.29	**18.27%**	**23.56%**

Table 8: Comparison of weekly MIS for lone parents with two children – cost of a child as proportion of total household budget (excluding rent, council tax and childcare)

Case study foster child	Household composition	Household all birth children total (£)	Cost of birth child (£)	Household with case study foster child total (£)	Cost of fostered child (£)	Cost of birth child as % of total HH budget (£)	Cost of fostered child as % of total HH budget
Ben - 1 yr old LAC (*toddler*)	Lone parent with two children (*toddler, pre-school*)	332.70	67.95	363.26	96.83	**20.42%**	**26.66%**
Jenny - 3 yr old LAC (*pre-school*)	Lone parent with two children (*pre-school, primary*)	347.00	75.97	376.58	104.49	**21.89%**	**27.75%**
Lucas - 7 yr old LAC (*primary*)	Lone parent with two children (*two primary*)	353.52	82.64	395.76	123.66	**23.38%**	**31.25%**
Lily - 14 yr old LAC (*secondary*)	Lone parent with two children (*two secondary*)	401.37	106.25	447.05	151.13	**26.47%**	**33.81%**

What accounts for the differences between fostering and non-fostering households?

The difference between the budgets for households that include foster children and those that do not is explained by the additional needs of fostering households explored in the preceding chapter. The additional needs of fostering and foster children are varied and span the budget areas found within the main UK MIS. However in terms of the impact on weekly costs, the differences between budgets are dominated by household goods, social and cultural participation, and motoring.

Household goods costs make up the largest element of additional costs in fostering households, accounting for between 39 and 81 per cent of additional costs. This reflects the additionality to the UK MIS budgets agreed by the groups of foster carers:

- the addition of goods linked to the increased need for home safety and security, such as door bolts and locks and extra stair gates;
- changes in the specification and lifetime of goods such as bedding and sofas;
- the addition of goods linked to the needs of foster children, such as a desk and chair for primary and secondary aged foster children;
- the addition of an annual amount to pay for a professional to undertake minor jobs around the home, e.g. fitting locks and making repairs;

Although individually the impact of these changes on budgets is limited, cumulatively they amount to the largest part of extra costs across all households.

Changes and additions to social and cultural participation also make up a large element of additional costs across all households, accounting for between 8 and 36 per cent of additional costs. The increased budgets for each age of child reflect the strength of feeling within groups in relation to ensuring that foster children are able to access a range of experiences and activities that they may not have had the opportunity to access previously. Social and cultural participation is seen as important within the main UK MIS, but was seen as even more crucial for fostered children. The increase in costs for social and cultural participation also reflects the need for foster households not only to provide a safe and secure home environment, but also to support social, emotional and physical development in foster children, through memory boxes, specific developmental toys and additional activities. In households with secondary aged foster children, for example, budgets include the cost of developmental toys, something that does not appear in main MIS budgets.

The other area affecting costs across all household budgets in a significant way is motoring costs, with weekly mileage being increased by a factor of 1.5 to reflect the additional trips associated with being a foster carer such as taking children to contact and attending meetings with social care professionals. Consequently, increases in motoring costs account for between 4 and 42 per cent of the additional costs of fostering. Changes in other areas generally had a limited impact on budgets, for example, adjusting the quantity of school jumpers and trousers for primary aged foster children. Additions to the food budget for secondary aged foster children and the inclusion of additional toilet rolls for primary and secondary aged foster children also introduced some minimal extra costs.

The cost of a foster child

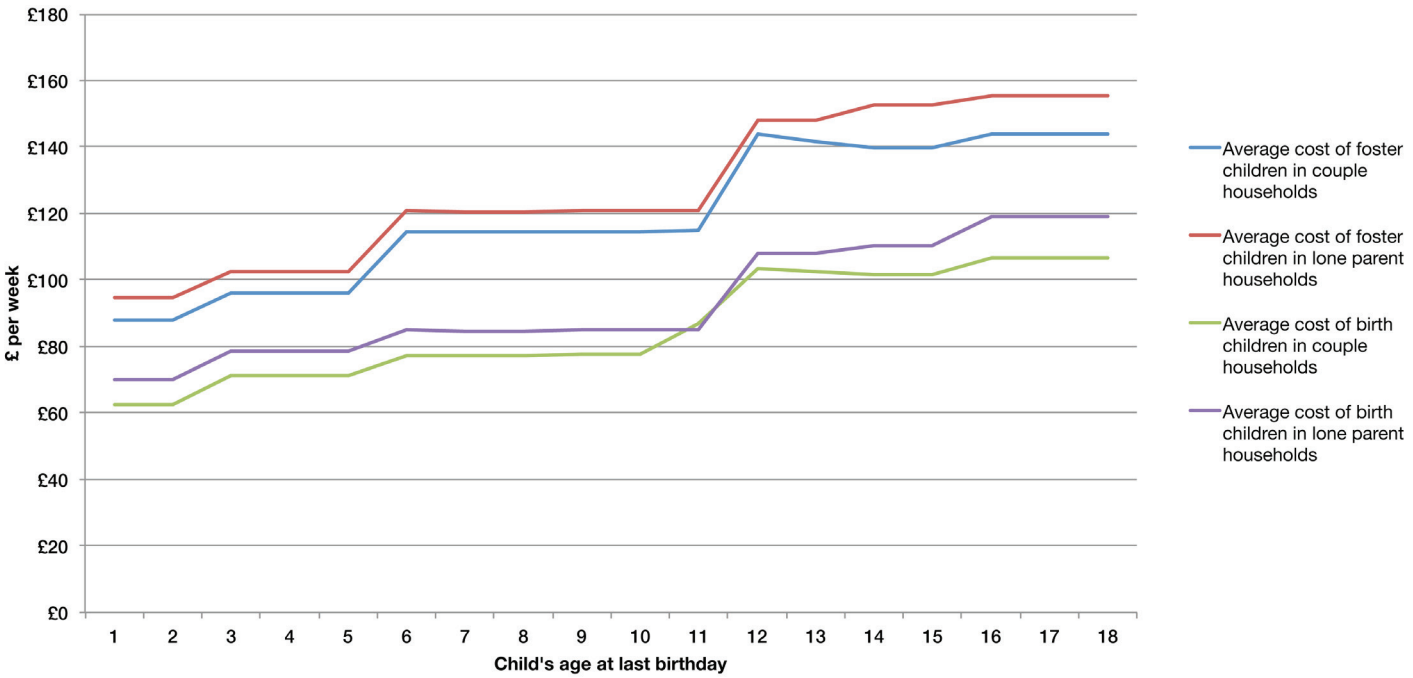
The analysis of the cost of fostering to households provides a clear sense of the range and level of additional costs. It is also possible, however, to explore the additional costs of fostering on a child by child basis. In doing this we are making use of on-going work by CRSP on the cost of a child (Hirsch et al., 2012; Hirsch 2013). The calculations of the cost of a foster child outlined here utilise the existing MIS budgets for a range of family types (Hirsch, 2013) and the robust and coherent measure of the cost of a child developed by Hirsch et al., (2012) as the basis for comparison with the MIS fostering budgets and the cost of a foster child calculations. The cost of a foster child presented here is based on both what households of different types need to spend to achieve a minimum socially acceptable standard of living and how these household spending requirements change as a consequence of having foster children.

The calculation

The cost of a foster child measure takes as its starting point the main UK MIS budgets for a range of household types (including those with and without children) and the budgets that have been developed through the research with foster carers which include the additional and adjusted costs that come from fostering. The cost of an individual foster child is not calculated by producing a list of items that a foster child of a particular age needs, but rather as the difference that the addition of that child makes to the whole household budget. For example, in order to calculate the cost of a foster child aged seven (Lucas in our case studies) to a couple household with no children, we subtract the cost of a couple without children from that of a family with one foster child aged seven. The additional cost of a foster child aged three (Jenny in our case studies) to a couple household with a six year old birth child is calculated as the difference between the budget of a family with a fostered three year old and a six year old birth child and that of a household with just a six year old birth child. Similar calculations have also been made for lone parent families.

Figure 1 shows the average costs of foster children in both couple and lone parent households from age 0 to 17, with the cost of birth children included for comparison. This reveals that the average costs of foster children in both couple and lone parent households are greater than the costs of birth children. The figure also shows that in general as they get older the costs associated with foster children increase. The sharpest increase in weekly costs is between the primary school age child and the secondary school age child when the average cost of a foster child in a couple household increases from £115.03 to £143.90 a week, while in a lone parent household it increases from £120.71 to £147.90 a week.

Figure 1: Average (mean) costs across different household types for birth and foster children (excluding rent, council tax and childcare)



The highest average weekly costs are for foster children in lone parent households. As shown in Table 9, across all ages the average cost of a foster child in a lone parent household is £127.09 a week (£6627 a year). This compares with £93.37 across all ages for birth children in lone parent households. The average cost of a foster child in a lone parent household is consequently £33.71 more each week than for a birth child and over the course of a year this amounts to a difference of £1758.

Table 9: Comparison of average (mean) weekly cost of foster and birth children in lone parent households by age (excluding rent, council tax and childcare)

£ per week	Age of child at last birthday	Average cost of birth children in lone parent household	Average cost of foster children in lone parent household	Average additional cost of fostering (£) in lone parent household	Average additional cost of fostering as percentage increase
Babies	0	70.05	94.48	**24.43**	**34.87%**
	1	70.05	94.48	**24.43**	**34.87%**
Pre-school	2	78.64	102.43	**23.79**	**30.25%**
	3	78.64	102.43	**23.79**	**30.25%**
	4	78.64	102.43	**23.79**	**30.25%**
Primary	5	84.99	121.12	**36.13**	**42.52%**
	6	84.75	120.62	**35.87**	**42.33%**
	7	84.75	120.62	**35.87**	**42.33%**
	8	85.26	120.71	**35.45**	**41.58%**
	9	85.26	120.71	**35.45**	**41.58%**
	10	85.26	120.71	**35.45**	**41.58%**
Secondary	11	108.10	147.90	**39.80**	**36.81%**
	12	108.10	147.90	**39.80**	**36.81%**
	13	110.56	152.53	**41.97**	**37.96%**
	14	110.56	152.53	**41.97**	**37.96%**
	15	119.05	155.34	**36.29**	**30.48%**
	16	119.05	155.34	**36.29**	**30.48%**
	17	119.05	155.34	**36.29**	**30.48%**
Average of all ages		**93.37**	**127.09**	**33.71**	**36.30%**

In couple parent households, shown in Table 10, across all ages the average cost of a foster child is £119.34 (£6222 a year). This compares with £85.63 across all ages for birth children in couple parent households. The average cost of a foster child in a couple parent household is therefore £33.71 more each week than for a birth child, which over the course of a year amounts to a total additional cost of £1758.

Table 10: Comparison of average (mean) weekly cost of foster and birth children in couple parent households by age (excluding rent, council tax and childcare)

£ per week	Age of child at last birthday	Average cost of birth children in couple household	Average cost of foster children in couple household	Average additional cost of fostering (£) in couple households	Average additional cost of fostering as percentage increase
Babies	0	62.43	87.92	**25.49**	**40.83%**
	1	62.43	87.92	**25.49**	**40.83%**
Pre-school	2	71.16	96.02	**24.87**	**34.95%**
	3	71.16	96.02	**24.87**	**34.95%**
	4	71.16	96.02	**24.87**	**34.95%**
Primary	5	77.43	114.67	**37.24**	**48.10%**
	6	77.17	114.49	**37.32**	**48.35%**
	7	77.17	114.49	**37.32**	**48.35%**
	8	77.54	114.42	**36.88**	**47.56%**
	9	77.54	114.42	**36.88**	**47.56%**
	10	86.70	115.03	**28.34**	**32.68%**
Secondary	11	103.40	143.90	**40.50**	**39.17%**
	12	102.54	141.79	**39.25**	**38.28%**
	13	101.67	139.68	**38.01**	**37.38%**
	14	101.67	139.68	**38.01**	**37.38%**
	15	106.70	143.85	**37.15**	**34.82%**
	16	106.70	143.85	**37.15**	**34.82%**
	17	106.70	143.85	**37.15**	**34.82%**
Average of all ages		**85.63**	**119.34**	**33.71**	**39.77%**

The average (mean) cost of a foster child (excluding rent, council tax and childcare) across all household types (both lone and couple parents) is shown in Table 11. The cost of a foster child is consistently and significantly above that of a birth child, from a minimum of 33 per cent to a maximum of 44 per cent difference in costs.

Table 11: Average cost of foster child and birth child per week across all household types (excluding rent, council tax and childcare)

Age of child	Average cost of foster child (£ per week)	Average cost of birth child (£ per week)	Difference(£)	Difference (%)
Baby (0-1)	90.73	65.70	25.03	38%
Pre-school (2-4)	98.77	74.36	24.41	33%
Primary (5-10)	117.23	81.55	35.68	44%
Secondary (11-15)	145.83	106.66	39.17	37%
Secondary (16-17)	148.77	111.99	36.78	33%

5. Conclusion

This report has provided an account of the different needs of foster families and the implications that these have for the cost of reaching a minimum socially acceptable standard of living, based on consensus about these differences reached through a series of groups with foster carers. As in all MIS and MIS-related research, there is an acknowledgement that the amounts reported here will not be sufficient for all households, but what this research does establish is a level below which it is socially unacceptable for any foster household and child to live. We recognise that households with foster children who have disabilities or serious health conditions will have additional needs and that these will bring with them additional costs that are not captured here. It is also acknowledged that there will be additional and different costs associated with different placement types that have not been explored as part of this work. Further, the figures reported here do not include the housing or childcare costs incurred by foster carers as these both are extremely variable between households and regions.

In exploring the differences in cost between birth and foster children, this report shows that it costs more to meet the needs of foster children than it does to meet the needs of birth children. The most significant additional costs of fostering come from adaptations to the home in order to make this a safe and secure environment in which to look after foster children and from the increased wear and tear that groups stated resulted from fostering children; the household goods budget category accounted for between 39 and 81 per cent of the additional costs associated with a foster child. The impact of fostering on costs within this category echoes the work of Oldfield (1997) and there are distinct similarities between the accounts coming from the foster carers she interviewed and what the groups of foster carers reported in this research. The other budget categories accounting for a significant proportion of the additional costs of fostering, social and cultural participation and transport, were also identified by the foster carers in Oldfield's work as accounting for the increased costs of fostering. As reported here, the additional costs associated with social and cultural participation were seen as crucial in ensuring the social, physical and emotional well-being and development of foster children. Transport costs, principally related to greater car use, were seen as an unavoidable additional cost incurred by maintaining contact between foster children and birth families, and attending fostering related meetings and appointments.

The implications of these different and additional needs in fostering households means that the cost of providing a minimum socially acceptable standard of living for a foster child is higher than that of providing the same standard of living for a birth child of the same age. This is the case irrespective of the age of the foster child, although generally fostering has a more significant impact on household budgets as the age of the foster child increases. The illustrative weekly budgets presented here show that the budgets for couple households that include foster children are between

5 and 7 per cent higher than those in households without foster children, while the budgets for lone parents households are between 9 and 12 per cent higher than those households without foster children. Based on the changes made by the groups of foster carers in this research, the figures for the illustrative households also indicate that in terms of the percentage increase a foster child joining a lone parent household has a greater impact than when joining a couple parent household.

Looking at the cost of a foster child compared with the cost of a birth child reveals that in order to achieve a minimum socially acceptable standard of living, the required weekly cost of a foster child is significantly higher than the cost of a birth child across all age groups and household types. Excluding the variable costs associated with housing and childcare, across all ages the average cost of a foster child in a lone parent household is £127.09 a week, more than a third greater than the cost of a birth child. In couple parent households, the cost of a foster child is 40 per cent greater than the cost of a birth child across all ages. The age category with the greatest difference in the average weekly cost is the primary school aged category (ages 5 to 10 years) where the average cost of a foster child is nearly fifty per cent more than that of a birth child. Across all of the age categories this research indicates that the cost of a foster child, required to reach a *minimum social acceptable standard of living*, is ***at least*** a third more than the cost of a birth child.

References

Davis, A., Hirsch, D., Smith, N., Beckhelling, J. and Padley, M. (2012) *A Minimum Income Standard for the UK in 2012. Keeping up in hard times*. York: Joseph Rowntree Foundation.

Department for Communities and Local Government (2012) *English Housing Survey, Headline Report 2011–12*. London: DCLG.

Department for Work and Pensions (2013) *Housing Benefit and Council Tax Benefit Circular HB/CTB A10/2013*. Available at: <http://www.dwp.gov.uk/docs/a10-2013.pdf> [accessed 15 July 2013].

Hirsch, D., Sutton, L. and Beckhelling, J. (2012) *The cost of a child in the twenty-first century*. London: Child Poverty Action Group

Hirsch, D. (2013) *A minimum income standard for the UK in 2013*. York: Joseph Rowntree Foundation.

Hirsch, D. (2013) *The cost of a child in 2013*. London: Child Poverty Action Group.

Lovering, K. (1984) *Cost of Children in Australia Working Paper no. 8*. Melbourne: Australian Institute of Family Studies

Oldfield, N. (1997) *The adequacy of foster care allowances*. Aldershot: Ashgate.

Padley, M. and Hirsch, D. (2013) *Households below a Minimum Income Standard: 2008/09 to 2010/11*. York: Joseph Rowntree Foundation.

Piachaud, D. (1979) *The Cost of a Child*. London: Child Poverty Action Group.

Shelter (2013) *The rent trap and the fading dream of owning a home*. London: Shelter.

Smith, N., Middleton, S., Ashton-Brooks, K., Cox, L. with Reith, L. (2004) *Disabled people's costs of living: more than you would think*, York: Joseph Rowntree Foundation.

Smith, N. Phung, V.H., Davis, A. and Hirsch, D. (2009) *A Minimum Income Standard for Northern Ireland*. York: Joseph Rowntree Foundation.

Smith, N., Hirsch, D. and Davis, A. (2010) *A minimum income standard for rural households*. York: Joseph Rowntree Foundation.

Smith, N., Davis, A. and Hirsch, D. (2011) *A minimum income standard for Guernsey*. Loughborough: Centre for Research in Social Policy.

Appendix

The following tables set out the additional costs of foster children and birth children used as the basis for calculations in Chapter 4.

Table A1: Fostered children: additional costs 2013 (excluding childcare, rent & council tax)

£ per week		Couple plus 1	Couple plus 2	Couple plus 3	Couple plus 4	Lone parent plus 1	Lone parent plus 2	Lone parent plus 3
	Age of child at last birthday	Fostered child	Fostered child as second child	Fostered child as third child	Fostered child as fourth child	Fostered child	Fostered child as second child	Fostered child as third child
Babies	0	90.50	83.99	90.39	86.80	101.99	96.83	84.61
	1	90.50	83.99	90.39	86.80	101.99	96.83	84.61
Pre-school	2	98.27	91.65	99.02	95.15	109.76	104.49	93.04
	3	98.27	91.65	99.02	95.15	109.76	104.49	93.04
	4	98.27	91.65	99.02	95.15	109.76	104.49	93.04
Primary	5	116.59	110.83	117.62	113.65	128.08	123.66	111.63
	6	116.59	110.83	116.89	113.65	128.08	123.66	110.11
	7	116.59	110.83	116.89	113.65	128.08	123.66	110.11
	8	116.59	111.03	116.26	113.82	128.08	123.86	110.18
	9	116.59	111.03	116.26	113.82	128.08	123.86	110.18
	10	116.59	111.03	116.26	116.26	128.08	123.86	110.18
Secondary	11	143.85	138.29	146.73	146.73	155.34	151.13	137.24
	12	143.85	138.29	146.73	138.29	155.34	151.13	137.24
	13	143.85	138.29	138.29	138.29	155.34	151.13	151.13
	14	143.85	138.29	138.29	138.29	155.34	151.13	151.13
	15	143.85	143.85	143.85	143.85	155.34	155.34	155.34
	16	143.85	143.85	143.85	143.85	155.34	155.34	155.34
	17	143.85	143.85	143.85	143.85	155.34	155.34	155.34

Table A2: Birth children: additional costs 2013 (excluding childcare, rent & council tax)

£ per week		Couple plus 1	Couple plus 2	Couple plus 3	Couple plus 4	Lone parent plus 1	Lone parent plus 2	Lone parent plus 3
	Age of child at last birthday	First child	Second child	Third child	Fourth child	First child	Second child	Third child
Babies	0	69.44	61.62	66.82	51.85	81.73	67.95	60.47
	1	69.44	61.62	66.82	51.85	81.73	67.95	60.47
Pre-school	2	77.67	69.64	76.32	61.00	89.97	75.97	69.97
	3	77.67	69.64	76.32	61.00	89.97	75.97	69.97
	4	77.67	69.64	76.32	61.00	89.97	75.97	69.97
Primary	5	84.05	76.31	82.34	67.02	96.34	82.64	75.99
	6	84.05	76.31	81.43	66.90	96.34	82.64	75.26
	7	84.05	76.31	81.43	66.90	96.34	82.64	75.26
	8	84.05	77.08	81.41	67.63	96.34	83.40	76.03
	9	84.05	77.08	81.41	67.63	96.34	83.40	76.03
	10	84.05	77.08	81.41	104.25	96.34	83.40	76.03
Secondary	11	106.90	99.93	103.38	103.38	119.19	106.25	98.87
	12	106.90	99.93	103.38	99.93	119.19	106.25	98.87
	13	106.90	99.93	99.93	99.93	119.19	106.25	106.25
	14	106.90	99.93	99.93	99.93	119.19	106.25	106.25
	15	106.90	106.63	106.63	106.63	119.19	118.98	118.98
	16	106.90	106.63	106.63	106.63	119.19	118.98	118.98
	17	106.90	106.63	106.63	106.63	119.19	118.98	118.98



Centre for Research in Social Policy
Department of Social Sciences
Loughborough University
Leicestershire
LE11 3TU

Tel: +44 (0)1509 223372
www.crsp.ac.uk