Report to CABINET

Foster Carers – Skills & Allowances Annual Uplift

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24 August 2026

Reason for decision

The purpose of this report is to request an uplift to financial support for foster carers for the 2026 – 2027 financial year, comprising:

> A 5% uplift to allowances and

> A 5% uplift to skills payments

For those carers who received a combined skill and child allowance i.e. one to one fostering, Mockingbird and stepping forward carers, we propose a 10% increase.

Together, these uplifts represent provider remuneration, while maintaining a clear distinction between while maintaining a clear distinction between:

> Allowances (paid to meet the cost of caring for the child or young person), and

> Skills payments (paid in recognition of the carer's role, skills, experience, and responsibilities).

Birthday, holiday, and festival allowances will continue to be aligned to the revised allowance rates in line with existing policy.

Recommendations

It is recommended that:

1. Fostering allowances are uplifted by 5% for the 2026–2027 financial year
2. Fostering skills payments are uplifted by 5% for the 2026–2027 financial year
3. A separate combined increase of up to 10% for specialist schemes which include Mockingbird and Stepping Forward which equates to 6 carers.

Birthday, holiday, and festival payments continue to be aligned to the revised allowance rates.

Foster Carers Skills & Allowances Annual Uplift

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Special Guardianship

Following the implementation of the no detriment policy in September 2025, payments will be aligned to approved Guardians who had previously fostered as per the new Special Guardianship Policy.

Allowance

It is proposed that fostering allowances are uplifted by 5% for the 2026–2027 financial year.

This proposal exceeds the DfE rate for 2026/27 of 3.8%. The proposed 5% uplift reflects ongoing inflationary pressures and local market conditions and represents a proportionate, preventative investment to support carer retention, placement stability, and long-term value for money, while remaining within the Council's discretion above national minimum levels.

Allowances are intended to meet the cost of caring for children and young people, including accommodation-related and living expenses. The proposed uplift reflects ongoing cost-of-living pressures and ensures that allowances remain sustainable and aligned across fostering arrangements.

Skill Payments

Foster carers are not employees of the Council. Skills payments are paid separately from allowances in recognition of the time, commitment, skills, and experience required to care for children and young people and to support care leavers as they transition into adulthood.

It is proposed that skills payments for fostering are uplifted by 5% for 2026–2027, ensuring carers continue to feel valued and appropriately recognised for the complexity of the role.

Background

Oldham foster carers play a critical role in providing safe, stable, and nurturing homes for children who cannot live with their birth families. The complexity of children's needs, combined with rising living costs and increased expectations of carers, means it is both appropriate and necessary to review and increase foster carer payments.

Key Issues

Cost-of-living pressures
Foster carers face the same rising costs as all households, including food, utilities, transport, clothing and activities. Allowances must remain sufficient to meet the actual cost of caring for a child, ensuring children do not experience disadvantage as a result of financial constraints.

Retention and stability
Experienced foster carers are a vital asset. Competitive payments help retain skilled carers, reducing placement disruption and avoiding the higher financial and emotional costs associated with churn and agency placements.

Recruitment and sufficiency
Increasing payments strengthens the local authority's fostering offer and supports recruitment, helping maintain a sufficient pool of carers able to meet a range of needs, including for older children and those with more complex needs.

Recognition of skill and responsibility
Fostering requires significant emotional labour, flexibility, training, and professional judgement. Skills payments recognise the expertise and commitment required and support carers to continue providing high-quality care.

Value for money
Supporting and retaining local authority foster carers is more cost-effective than reliance on independent fostering agencies or residential care, while also delivering better outcomes for children.

Increasing foster carer payments is a proportionate, preventative measure that supports carers, promotes placement stability, and delivers better outcomes for children and young people. It also represents sound financial planning by protecting local sufficiency and avoiding higher future costs.

Specialist Foster Care Schemes: Mockingbird and Stepping Forward

The proposed increase for Mockingbird Hub Carers and Stepping Forward carers is not intended to mirror a standard fostering allowance increase. These schemes are specialist programmes requiring carers to undertake responsibilities and deliver outcomes significantly beyond those expected within mainstream fostering arrangements. The increased remuneration reflects the complexity, skills, availability, leadership responsibilities, and outcomes required by these roles.

Mockingbird Hub Carers

The Mockingbird model is an evidence-informed programme that creates an extended family network around foster carers, improving placement stability, reducing isolation and increasing placement resilience.

Hub Carers undertake a substantially different role from standard foster carers. They:
- Lead and coordinate a constellation of 6-10 fostering households.
- Provide out-of-hours support and guidance.
- Offer planned and emergency sleepover provision.
- Mentor and coach foster carers.
- Organise support groups, activities and community events.

- Work collaboratively with professionals to manage risks and support placement stability.

Unlike mainstream fostering payments, the Hub Carer payment is recognition of a leadership, support and retention function across a number of fostering households rather than solely caring for a child placed within their own home. Information drawn from

It is also important to note that Oldham received £80,000 grant funding towards the implementation and sustainability of Mockingbird, recognising the strategic value of the model in improving foster carer retention and placement stability. This external investment demonstrates national confidence in the approach and reduces the net financial impact on the Council.

The proposed increase only impacts a small cohort of carers. At the end of the financial year there are expected to be approximately 5 Hub Carers, meaning the overall budget impact is limited whilst supporting a much wider network of foster families.

Stepping Forward Scheme

The Stepping Forward scheme is a specialist residential step-down model for children and young people who would otherwise remain in residential care.

These carers are expected to:

- Support children with complex and often trauma-related needs.
- Deliver intensive transition plans from residential care.
- Work closely with a wide range of professionals.
- Manage significantly higher levels of complexity and risk.
- Provide therapeutic and relationship-based care.
- Maintain placement stability where there is an increased likelihood of breakdown.

The scheme specifically recruits highly experienced carers able to support children moving directly from residential provision. As such, these are specialist placements rather than enhanced mainstream fostering arrangements.

We are currently have 3 Stepping Forward carers.

Benchmarking

Benchmarking discussions at the Greater Manchester level identified specialist residential step-down fostering payments ranging between approximately £1,000 and £1,600 per week, reflecting the expertise required to care for children who would otherwise require residential placements.

Bury Step Forward placements paying professional fees of up to approximately £53,308 per annum in addition to allowances

The details of the fees for Oldham Mockingbird and Stepping forward in Oldham are contained within the Payment Guide which was approved at DMT for 25/26

In terms of the uplift approved for mainstream, kinship and enhanced rates (£5% skills and £5% allowances) I am mindful that LA use different wording which recognise enhanced and specialist schemes and they are unlikely to refer to Stepping forward schemes and more likely Parent and child placements or children with complex needs.

• Stockport professional and specialist carers receiving payments between approximately £32,000 and £51,400 per annum plus child allowances.

• Salford specialist fostering schemes attracting additional payments of up to £540 per week plus allowances.

- For a regional comparison Rochdale's published fostering allowances currently appear more attractive than Oldham's existing rate structure. However, Oldham's 2026/27 uplift of 5% to child allowances and 5% to skills payments has not yet been factored into the comparison. Once applied, the differential will reduce and a like-for-like comparison should be refreshed using the updated Oldham rates.

Oldham's proposed rates would therefore remain broadly in line with neighbouring authorities and the wider Greater Manchester market for mainstream, kinship and enhanced/specialist foster care arrangements.

Value for Money

The financial case remains strong Stepping Forward placements compares favourably with:

- Internal residential provision estimated at approximately £4,500 per week (£234,000 per annum).

- External residential provision estimated at approximately £6,000 per week (£312,000 per annum).

Every successful step-down placement therefore has the potential to avoid costs of between £156,000 and £234,000 per child per annum, whilst enabling children and young people to grow up in a family environment rather than residential care.

Clarification regarding the 10% Increase

The proposed revised payments reflect the cumulative application of the annual uplift applied to fostering allowances and skills payments and ensures that specialist schemes remain appropriately remunerated to reflect the additional responsibilities, expertise and outcomes required. The changes support foster carer retention, placement stability, sufficiency and reduce reliance on significantly more costly residential care provision.

Alternative option(s) to be considered

Uplift allowances only based on DfE recommendations

Risks

Failure to uplift skills may lead to carers feeling undervalued, increasing the risk of experienced foster carers leaving the service. Uplifting allowances takes into account the current inflation and world uncertainty.

Enable Oldham Fostering service to remain competitive- new carers progressing through the recruitment hub, will have the opportunity to shop around within Greater Manchester

Rising living costs without increased allowances may place pressure on placements, increasing the likelihood of disruption and poorer outcomes for children and care leavers.

Loss of in-house provision could increase reliance on independent fostering agencies, residential care, or supported accommodation, all of which are significantly more expensive.

Not uplifting payments may impact relationships with carers and undermine the Council's ability to demonstrate a fair, supportive, and sustainable fostering service.

Implications

Financial	Appendix A provides the detail in relation to the proposed 2026-27 uplifts for fostering allowances and skills payments. The calculation is based on service information extracted from Mosaic in April 2026. The proposal is to increase the fostering allowances by 5% and skills payments by 5%. In addition, Mockingbird and Stepping Forward carers will have an increase of 10%. The 2026-27 foster allowances budget is £8.288m which has been substantially increased from the 2025-26 budget of £6.596m. It is difficult to determine an accurate forecast at this stage in the financial year as fostering allowances and skills payments do fluctuate but based on 2025-26 actuals of £7.894m there is approximately £0.394m additional budget for allowance uplifts and future demand. The estimated cost of the increases is £0.375m which is within budget however, there is only a small amount remaining for new foster carers etc. Any pressure arising from the fostering budget would have to be managed from within the wider placements budget. (Nicola Harrop – Finance Manager)
Legal	The report alludes to the statutory requirement placed on Local authorities under the Care Standards Act 2000 in relation to minimum recompense foster carers should receive. The service has considered the recommended uplifts from the DfE and has outlined the implications of not providing an uplift, i.e this increases the risk of foster carers leaving the area and creating a strain on the children using the service. The Council's clear objectives in the Corporate plan are to help residents live happier, healthier lives with a clear reference to tackling poverty. The council would likely have a reputational risk in not supporting the proposed uplift to the foster carers in the Borough. (Alex Bougatef – Borough Solicitor)

10 **Key Decision**

10.1 Yes

11 **Key Decision Reference**

11.1 CYP-03-26

12 **Appendices**

12.1 Appendix A – NMA Rates and Skills Payments
12.2 Appendix B – Equality Impact Assessment

Approved by the Chief Executive following consultation with the political group leaders. Decision made under the authorisation contained in Section 9C – Delegations to Specific Officers of Part 3 (Responsibility for Functions) of the Council Constitution for the Chief Executive to take any emergency decisions in respect of the Council's executive functions.	
Signed: Shelley Kipling, Chief Executive	Dated: 25 August 2026
Date of Group Leaders meeting	24 August 2025

Appendix A

1) Fostering Allowances

NMA rates comparison

Age	NMA uplifed rate 26/27	Oldham's current rates	Oldham's proposed uplift	Diff
0-2	£ 176	£ 176	£ 185	£ 9
3-4	£ 182	£ 176	£ 185	£ 3
5-10	£ 201	£ 194	£ 203	£ 3
11-15	£ 227	£ 221	£ 232	£ 5
16-17	£ 267	£ 268	£ 282	£ 15

Fostering Allowance Rates

Age	Current Allowance	Increase 5%	Increase		Total increase per annum
0-4	£ 176.04	£ 184.84	£ 8.80		£ 38,446
5-10	£ 194.00	£ 203.70	£ 9.70		£ 54,980
11-15	£ 220.64	£ 231.68	£ 11.03		£ 57,941
16+	£ 268.35	£ 281.77	£ 13.42		£ 18,140

One to one carers

Age	Current Allowance	Increase 5%	Increase		
0-4	£ 98.73	£ 103.67	£ 4.94		£ -
5-10	£ 682.86	£ 717.00	£ 34.14		£ 1,775
11-15	£ 713.90	£ 749.60	£ 35.70		£ 7,425
16+	£ 744.94	£ 782.19	£ 37.25		£ 1,937
Stepping forward 10%	£ 1,500.00	£ 1,650.00	£ 150.00		£ 7,800
Mockingbird 10%	£ 1,320.00	£ 1,452.00	£ 132.00		£ 20,592.00
					£ 209,036

2) Skills Payments

Current rates					
Age	Group 1	Group 2	Group 3	Group 4	Group 5
0-4	£ -	£ 93.08	£ 186.17	£ 278.17	£ 399.58
5-10	£ -	£ 93.08	£ 186.17	£ 278.17	£ 399.58
11-15	£ -	£ 93.08	£ 186.17	£ 278.17	£ 399.58
16+	£ -	£ 93.08	£ 186.17	£ 278.17	£ 399.58
5% increase					
Age	Group 1	Group 2	Group 3	Group 4	Group 5
0-4	£ -	£ 97.74	£ 195.47	£ 292.08	£ 419.56
5-10	£ -	£ 97.74	£ 195.47	£ 292.08	£ 419.56
11-15	£ -	£ 97.74	£ 195.47	£ 292.08	£ 419.56
16+	£ -	£ 97.74	£ 195.47	£ 292.08	£ 419.56
Increase					
Age	Group 1	Group 2	Group 3	Group 4	Group 5
0-4	£ -	£ 4.65	£ 9.31	£ 13.91	£ 19.98
5-10	£ -	£ 4.65	£ 9.31	£ 13.91	£ 19.98
11-15	£ -	£ 4.65	£ 9.31	£ 13.91	£ 19.98
16+	£ -	£ 4.65	£ 9.31	£ 13.91	£ 19.98
Overall increase					
Age	Group 1	Group 2	Group 3	Group 4	Group 5
0-4	£ -	£ 1,936	£ 4,356	£ 25,314	£ 5,195
5-10	£ -	£ 4,356	£ 2,904	£ 31,100	£ 17,661
11-15	£ -	£ 3,146	£ 6,776	£ 31,823	£ 13,506
16+	£ -	£ -	£ 1,936	£ 8,679	£ 7,272
					£ 165,961