Item No: 9

Meeting Date: **Wednesday 24th June 2026**

Glasgow City Integration Joint Board

Report By: **Kelda Gaffney, Depute Chief Officer, Operations and Governance / Chief Social Work Officer**

Contact: **Liz Simpson, Head of Children's Services, Residential, Families for Children & Continuing Care & Aftercare**

Phone: **0141 287 0419**

Foster Carer Investment

Purpose of Report:	This report seeks approval for targeted investment to strengthen Glasgow's fostering capacity. It sets out the current pressures within the fostering system, the associated operational and financial risks, and proposes a focused package of measures to improve recruitment and retention, reduce reliance on high-cost external provision and improve outcomes for children and young people.

Background/Engagement:	Feedback from Foster Carers has been considered and included in the report.

Governance Route:	The matters contained within this paper have been previously considered by the following group(s) as part of its development. HSCP Senior Management Team ☒ Council Corporate Management Team ☐ Health Board Corporate Management Team ☐ Council Committee ☐ Update requested by IJB ☐ Other ☐ Not Applicable ☐

Recommendations:	With effect from 1 October 2026, the Integration Joint Board is asked to: a) Approve an increase in fees to foster carers, supported carers and host families by £100 per week; b) Approve an annual review of fees, in line with the Scottish Living Wage, in order to ensure that GCHSCP fees maintain in line with sector wide changes; c) Approve a capped incentive of £2,000 for existing foster carers who refer a friend which results in an approval to become a Glasgow carer; and d) Approve a retention payment of one extra week of fees paid to foster carers on successful conclusion of their annual review.

Relevance to Integration Joint Board Strategic Plan:

IJB Strategic Plan – page 22/23 Vision and Priorities:

- Supporting and protecting vulnerable people
- Designing and delivering services around the needs, talents, aspirations and contributions of individuals and carers
- Showing transparency, equity and fairness in the allocation of resources
- Prevention, early intervention and harm reduction
- Shifting the balance of care

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome(s):	Outcome 2 - People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community Outcome 9 - Resources are used effectively and efficiently in the provision of health and social care services.
Personnel:	Recruitment to additional foster carers will be required to realise the recommendations within the paper.
Carers:	Foster Care fees increased to support existing carers and encourage greater retention and recruitment.
Provider Organisations:	Aim to reduce the number of children requiring foster care placed with Independent providers.
Equalities:	Increasing the number of Foster Carers provides an opportunity to better reflect the demographics of Glasgow and improve the matching of children with Foster Carers.

Fairer Scotland Compliance:	N/A

Financial:	Additional recurring funding estimated at £1.95 million per annum (uplifted for Scottish Living Wage each year), with offsetting savings to be achieved as the number of provided placements increases and the number of purchased placements reduces. This should also be seen in the context of avoiding escalating costs of an additional £10.5 million by year 3. Year 1 costs in 2026/27 will be part year, estimated at £975,000, implemented from 1 October 2026. The intention is that this will be met through existing budgets, supported by the additional funding for pressures set aside through the 2026/27 budget process.

Legal:	N/A

Economic Impact:	The recruitment of foster carers will focus on Glasgow City and surrounding areas. The increased investment will see an increase in income for foster carers in the City and an anticipated increase in the capacity for children to remain within the City.

Sustainability:	It is anticipated that this investment will increase the number of foster carers and increase the future sustainability of the service.

Sustainable Procurement and Article 19:	N/A

Risk Implications:	There is a risk that we do not retain or attract the desired number of foster carers despite increased fees and support. This will be monitored closely and responded to by other support measures.

Implications for Glasgow City Council:	This investment should have a positive impact on the city with more children being sustained in a family environment. It should ensure more efficient use of resources.

Implications for NHS Greater Glasgow & Clyde:	None

Direction Required to Council, Health Board or Both	
Direction to:	
1. No Direction Required	☐
2. Glasgow City Council	☒
3. NHS Greater Glasgow & Clyde	☐
4. Glasgow City Council and NHS Greater Glasgow & Clyde	☐

1. Purpose

1.1 The report outlines:
- the current local and national crisis in recruiting and retaining foster carers;
- the associated risks of increased reliance on Independent Fostering Agencies (IFAs) and other care providers; and
- the impact on related services, budgets and outcomes for children and young people.

1.2 The report proposes a strategic approach to addressing the challenges which aims to shift expenditure from higher cost externally purchased placements to provided placements. By providing more consistent care and support locally we can relieve placement pressures across the system, improve outcomes for children and young people and reduce the negative and costly impact of delays, numerous moves and disruptions.

2. Background

2.1 The Family Support Strategy and the continued focus on prevention and early intervention, supporting families to stay together wherever safe and possible, has seen a steady reduction in the number of children and young people requiring foster care over the last 8 years. In 2018, there were 1109 children who were looked after and accommodated in social work care, excluding kinship placements. As at June 2026, there are 516 children and young people who are looked after in foster or residential placements.

2.2 There is however evidence that this reduction is plateauing as increasing numbers of families struggle to cope. There has been a recent increasing trend in the numbers of babies and young children requiring foster care, despite significant efforts to support families to stay together. These children cannot be supported at home or in their communities due to risk and/or significant unmet need.

Year	New Foster Care placements required for 0-1 year	New Foster Care placements required for 1-4 years
2024	0	2
2025	6	8
2026	10	16

2.3 Based on the current trends, it is estimated that around 580 foster placements per annum will be required over the next 5 years.

2.4 However, Glasgow City HSCP is experiencing a sustained shortfall in foster carers, with demand consistently exceeding supply over recent years. This reflects a national trend but is particularly acute locally, where the number of fostering households has declined steadily and is projected to continue to reduce. Using the current 5 year rates of registration and deregistration,

there will be an additional reduction of around 70 foster carer households over the next 4 years in the absence of further intervention.

Year	Number of Fostering households
2019-2020	421
2020-2021	393
2021-2022	364
2022-2023	360
2023-2024	321
2024-2025	314
2025-2026	298
2026-2027	*283**
2027-2028	*269**
2028-2029	*255**
2029-2030	*242**

**Projections of number of households based on previous 5 year trends of an average 5% reduction.*

2.5 The current reduction in capacity has resulted in increasing difficulty securing appropriate foster placements. As a consequence, the HSCP is increasingly reliant on Independent Fostering Agencies, purchased residential care and out-of-area placements. This is often not aligned to assessed need and can result in disruption, poorer outcomes and children being cared for away from their families and communities.

2.6 In addition, current foster carer profiles highlight that 89% of current carers are over the age of 50 years. It is therefore critical that new foster carers are attracted to meet future demand. It is also necessary to consider the recruitment of more diverse foster carer families, to support the matching process for children.

3. Impact of Reduced Foster Care Placements

3.1. The current position presents both significant service and financial risk. Where suitable fostering placements are not available, children require higher-cost care arrangements. The current costs to the HSCP are outlined in the table below:

	2025/26 Outturn	**2026/27 Commitment (Period 2)**	**Number of Placements (Period 2)**
Purchased Foster Care	£10,661,618	£10,917,488	187
Purchased Residential Care	£7,882,643	£7,243,632	21

3.2 The continued shift towards externally purchased provision is financially unsustainable. In the absence of recruitment to foster carers by Glasgow City HSCP, overall placement costs are projected to increase by up to £10.5 million annually by 2029/30.

3.3 Local authorities in Scotland pay the nationally agreed Scottish Recommended Allowance. This was subject to a recent report to the IJB and Council's City Administration Committee.

3.4 The Scottish Recommended Allowance, is set at £177.68-£283.35 for 2026/27 (as outlined in the above reports). However, there is significant variation in the fee element paid to carers by local authorities. Rates can be difficult to benchmark as many are not readily available, or providers offer a tiered level of fees dependent on either the age of the child or the level of experience of the carer. Other providers publish their Fees and Allowances together as a single amount. The table below outlines the Fees paid to Foster Carers within Local Authorities across NHSGGC, and Edinburgh City for comparison.

Local Authority	**Fostering Weekly Fee (Current)***
Glasgow City	£165
West Dunbartonshire	£125 - £175
East Dunbartonshire	£200
East Renfrewshire	£217.28 - £311.43
Renfrewshire	£330.46
Inverclyde	£350
Edinburgh City	£307.50 - £490.06

3.5 There are a growing number of Independent Fostering Agencies offering competitive support packages, including higher fees and allowances, initial one-off payments and finder's fees. As outlined at 3.1, the average cost per placement of purchased foster care is around £1,100 per week, which is a significant additional cost to the IJB compared to provided foster care fees. This has led to 3 carers moving from Glasgow to another agency, with 5 of Glasgow's children in 2026 to date.

4. Foster Carer Feedback and Engagement

4.1. Engagement with foster carers has been central to understanding the challenges and shaping the proposed response. Feedback from the Foster Carer Summit (2023), and subsequent engagement activity, highlighted consistent concerns regarding the adequacy of financial support, the impact of cost of living pressures, and the sustainability of fostering as a role.

4.2. Carers describe increasing difficulty in meeting the costs associated with fostering and a sense that the current financial framework does not reflect the realities of their role. These themes have remained consistent across more recent engagement and have directly informed the proposals set out in this report.

5. Strategic Response

5.1. The proposal represents a targeted intervention designed to stabilise and strengthen Glasgow's fostering capacity by increasing foster fees. It is based on clear evidence that the ability to recruit and retain foster carers is strongly influenced by the overall financial and support package offered.

5.2. The approach is to improve the competitiveness of Glasgow's offer, support retention of existing carers and create the conditions for sustainable growth in local capacity. This will support a shift away from reliance on external provision and align with the IJB's strategic objective to deliver more care in homely, community-based settings.

5.3. Evidence suggests that, on average, it takes 2 years for those considering becoming a foster carer to translate into a successful application. The Families for Children team are developing a strategic approach to recruitment and retention of carers by building on lessons learned from Leeds and other areas where a Fostering Friendly City approach has resulted in increased numbers of applications from potential carers. This approach is likely to include recruitment targeted at Local Authority and NHS staff (with a package of support including flexible working arrangements, paid time off for fostering-related activities such as training, meetings or emergencies) and third sector/ other partner agency staff who may have an interest in fostering.

5.4. It is also recognised nationally that the most effective form of carer recruitment is through 'word of mouth' from existing carers, therefore investing in the retention of our current carers, will allow for wider opportunities for them to share with their extended network the many benefits of the foster carer role. In line with practice elsewhere in the country, a proposal to offer carers £2,000 as an incentive to refer a friend (payable when the referral translates into a carer being approved) is likely to increase interest in the fostering role. In addition, it is proposed that existing carers are offered a retention payment of one extra week of fees on successful conclusion of their annual review.

5.5. The overall objective is to:

- increase the number of provided foster care placements over a 4 year period by 53;
- increase the number of Supported Care placements from 66 to 76 over the next 4 years to support older children in foster care with their transitions to adulthood;
- increase the number of Host Families from 21 to 30;
- reduce the number of children under 12 years old in provided residential care and purchased residential care, and prevent further children who require foster care from being placed in residential care by ensuring an increased provision of provided foster care placements;
- reduce the number of children in purchased foster care, by approximately 53 children, over the next 4 years.

6. Proposal

6.1. Approval is sought to implement a revised financial and retention package comprising:

- an increase in weekly fostering fees of £100;
- an annual review of fees linked to the Scottish Living Wage;
- a £2,000 referral incentive for existing carers, capped at a total spend of £30,000 per year (recruitment of 15 foster carers); and
- a retention payment equivalent to one additional week's fee following annual review.

6.2 The table below shows a reducing annual cost relative to the current position.

Year	Cost vs 2025/26	Summary
2026/27	£0.97m	Initial investment year
2027/28	£0.23m	Investment reducing (as purchased and residential placements begin to reduce)
2028/29	(£1.6m)	Savings begin to be realised (as purchased and residential placements reduce further)
2029/30	(£2.9m)	Purchased placements reduce as provided foster care placements increase

6.3 These figures are based on the table below which outlines the change in number of placements projected over four years based on investment options.

Placements change (numbers +/-)	2026/7	2027/8	2028/9	2029/30	Total
Provided Foster Care (main scheme)	0	10	15	20	**45**
Provided Foster Care (enhanced scheme)	3	2	2	1	**8**
Purchased Foster Care	0	-16	-20	-17	**-53**
Purchased Residential Care	0	0	-1	0	**-1**

6.4 While there will be a time lag between investment and full impact, these measures are expected to improve recruitment, support retention and stabilise the service over the medium term.

6.5 Investment described in the paper is expected to be accommodated within existing Children's Services budgets through redirection of expenditure on out of authority/purchased placements to provided foster care placements. However, it is recognised that this may take time to realise with estimated £0.975m additional costs in 2026/27 with a 1 October 2026 implementation date, £1.95m full year (uplifted for Scottish Living Wage). Additional budget was approved for Children's Services in 2026/27 to meet anticipated pressures, which include costs associated with purchased placements. This

funding will be utilised to address any timing issues between the investment being defrayed and redirected savings materialising. These budgets will be monitored closely over the year.

6.6 Looking ahead to Years 2–4, the proposals are intended to arrest the decline in foster carers and deliver a planned increase in local capacity. This includes increasing the number of provided foster placements, reducing reliance and spend on purchased foster care and residential provision, and enabling more children to be cared for within local family-based settings.

7. Recommendations

7.1 With effect from 1 October 2026, the Integration Joint Board is asked to:

a) Approve an increase in fees to foster carers, supported carers and host families by £100 per week;
b) Approve an annual review of fees, in line with the Scottish Living Wage, in order to ensure that GCHSCP fees maintain in line with sector wide changes;
c) Approve a capped incentive of £2,000 for existing foster carers who refer a friend which results in an approval to become a Glasgow carer; and
d) Approve a retention payment of one extra week of fees paid to foster carers on successful conclusion of their annual review.

Direction from the Glasgow City Integration Joint Board

1	**Reference number**	240626-9
2	**Report Title**	Foster Carer Investment
3	**Date direction issued by Integration Joint Board**	24 June 2026
4	**Date from which direction takes effect**	24 June 2026
5	**Direction to:**	Glasgow City Council only
6	**Does this direction supersede, revise or revoke a previous direction – if yes, include the reference number(s)**	No.
7	**Functions covered by direction**	Children's Services / Finance, Fostering Care Allowances
8	**Full text of direction**	Glasgow City Council is directed to implement the increase in fees to foster carers, review fees annually, provide an incentive and provide a retention payment as outlined in section 6.1 of the report, effective from 1 October 2026.
9	**Budget allocated by Integration Joint Board to carry out direction**	Additional recurring funding estimated at £1.95 million per annum (increased in line with Scottish Living Wage), with offsetting savings to be realised in future years as the number of provided placements increases and the number of purchased placements reduces. This should also be seen in the context of avoiding escalating costs of an additional £10.5 million by year 3.
10	**Performance monitoring arrangements**	In line with the agreed Performance Management Framework of the Glasgow City Integration Joint Board and the Glasgow City Health and Social Care Partnership.
11	**Date direction will be reviewed**	June 2027