



The Rt Hon Baroness Jacqui Smith

Minister for Skills

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The Baroness Barran MBE
House of Lords
London
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Monday 23rd June 2025

Dear Diana,

I am writing to you to provide additional information regarding the question you raised in our exchange on Thursday 12 June 2025 during the Children's Wellbeing and Schools Bill debate.

Additional Information:

Further detail on the capital funding proposed for foster care home renovation and extension

You asked, *"The Minister mentioned that the Government are putting funding into extensions and so forth. Will she write with details of how many additional places that funding is expected to secure? I do not mean precisely, but just to give a sense."*

As I set out in our debate on Thursday, the government is investing in the recruitment and retention of foster carers. The Chancellor's Spring Statement included an additional £25 million investment in foster care over two years, as part of the Transformation Fund, beginning in 2026-27. That is additional to the £15 million we are investing in fostering during this financial year. This will bring benefits to thousands of fostered children.

In addition to this funding, the Spending Review 2025 included an announcement of £560 million in total capital funding. The majority of this capital investment will be to refurbish and expand children's homes, and also includes innovative programmes to create more fostering placements by renovating and extending foster carer homes, helping to provide more long-term capacity for placements for children in foster care.

While the total amount of capital funding has been announced in Spending Review, the Department is now taking forward its business planning processes to decide budget lines for individual programmes. Given that this process has not yet concluded, we cannot yet give information on the capacity we expect it will create, though we will be able to share this information once that process has concluded in the coming months.

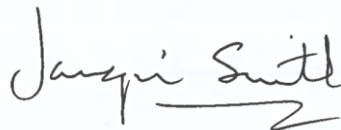
It may be helpful to set out some the background to this funding. The funding builds on successful pilots in Greater Manchester and in Islington, in which local authorities were able to invest in their local foster carers and their homes, and generate new fostering placements for children and young people who need them. We have already invested in £1.2m funding for Room Makers via the newly established Greater Manchester Regional Care Cooperative. Using this programme, Greater Manchester has created 40 fostering placements in the 2024-25 financial year and expects to generate 40 more in the 2025-26 financial year.

There is further information in the work in both Greater Manchester and in Islington in the links below:

- Greater Manchester: <https://www.greatermanchester-ca.gov.uk/news/greater-manchester-fostering-scheme-room-makers-wins-national-award/>
- Islington: <https://www.local.gov.uk/case-studies/increasing-fostering-capacity-through-housing-solutions>
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Thank you again for taking the time to engage on these matters. I hope these further details have been useful and I will be happy to write to you with further information once the business planning process has concluded. I will also place a copy in the House libraries.

Yours sincerely,

A handwritten signature in black ink, reading 'Jacqui Smith' with a stylized flourish at the end.

The Rt Hon Baroness Jacqui Smith

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