

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Diane Morton, Cabinet Member for Adult Social Care and Public Health

DECISION NUMBER:

25/00118

Executive Decision – key

25/00118 – Proposed Fee Uplifts for Adult Social Care Providers for 2026/2027

Decision: As Cabinet Member for Adult Social Care and Public Health, I propose to:

- a) **APPROVE** the fee uplifts for Adult Social Care Providers for 2026/2027; and
- b) **DELEGATE** authority to the Corporate Director, Adult Social Care and Health to take relevant actions within the approved budget allocation to implement the decision.

Reasons for decision: The Council has statutory duties under The Care Act 2014 (together defined as its “Care Act Duties”) which require local authorities to have regard to the sustainability of the social care market. Those duties underpin and must inform any decision of the Council in respect of uplifts applicable to its social care contracts. In setting its fees the Council must also have due regard to its Best Value duty to deliver statutory services within a balanced budget.

The Council has carried out market analysis in line with its mandatory duties (Chapter 4 of the Care and Support Statutory Guidance explains how local authorities must meet their duty under section 5 of the Care Act 2014 to promote the efficient and effective operation of the adult social care market). In order to comply with its Care Act duties. The Council had monthly meetings with the market throughout 2025 and the Council held roundtable meetings with the market in November 2025 and January 2026 specifically in relation to uplifts.

Consultation and engagement with provider representative organisations, including the Kent Integrated Care Alliance (KICA) and the National Care Association (NCA) in November 2025, has highlighted significant concern regarding the cumulative impact of rising employment and operating costs. Providers have indicated that Consumer Price Index (CPI) level uplift would represent a minimum position to maintain financial sustainability, with higher uplifts required in some service areas.

A further meeting was held in January 2026 with a strong representation from KICA and the NCA. No additional evidence was provided beyond that previously shared, and the cost pressures identified in November were reiterated. These representations have been considered alongside wider market intelligence.

The proposed approach for 2026/2027 is to apply differentiated uplifts. Under this option, fee uplifts (if any) are applied in accordance with the Council's Care Act Duties. This could result in differentiated uplifts across contract types, reflecting the fact that cost pressures, market conditions, and strategic importance are not uniform across the adult social care market.

In particular, the proposed approach:

- prioritises investment in care at home services, reflecting their role in supporting people to remain independent and in managing demand for higher-cost care;
- proposes to apply more modest uplifts in residential and supported living services for working age adults, recognising the significant existing investment in these services, the bespoke nature of provision, and the need to balance market sustainability and continuity of care; and
- retains targeted, proportionate and time-limited mitigations to manage clear and evidenced risks to continuity of care.

This approach enables the Council to meet its statutory duties and acknowledges that it is not affordable to fully meet provider expectations for inflationary uplift across all services beyond consideration of its Care Act Duties.

Fee uplifts need to be finalised by 1 March 2026 to enable implementation within the Council's Adult Social Care case management system in time for providers to submit invoices for revised rates from April 2026. The proposals set out are subject to approval of the budget by the County Council on 12 February 2026.

Financial implications: The Council continues to face significant and sustained financial pressure, driven by increasing demand for adult social care and rising complexity of need. Within this context, the Council has identified £9.9m in the draft budget as the proposed amount for adult social care fee uplifts and Direct Payment increases for 2026/2027. This is subject to approval of the budget by the County Council on 12 February 2026.

This reflects the application of the Council's statutory duties alongside its wider financial and governance responsibilities, ensuring that available resources are deployed in a way that prioritises the delivery of assessed needs and the sustainability of care provision

Table 1 below sets out the proposed allocation of the uplift budget and its financial impact.

Summary - Price Uplift Proposal	%
Care and Support in the Home Services	CPI
Supported Living Services	2% and an additional element for sleep nights
Residential Care (Learning Disability, Physical Disability and Mental Health)	2.0%

Older Person's Residential and Nursing	0.0%
Everyday Life Activities	0.0%
Other Service Lines	2.0%
Total	£7.7m
Provision for Direct Payments	£2.2m
Overall Total	£9.9m

Legal implications: The Courts have confirmed that decisions which engage the section 5 market shaping duty may be subject to public law challenge, and that fee setting decisions form part of this framework where they have a direct effect on the sustainability and functioning of the care market.

Recent case law, *R (SARCP) v Stoke on Trent City Council [2025]* has highlighted the importance of ensuring that decisions are supported by a clear and sufficiently complete evidential basis.

In making these decisions the Council must have regard to the Care and Support statutory guidance.

Equalities implications: The Council has had due regard to its duties under section 149 of the Equality Act 2010 (Public Sector Equality Duty). An Equalities Impact Assessment (EQIA) has been completed. The EQIA is a live document and will be reviewed and updated as the proposals are implemented and market conditions evolve.

The EQIA identifies a potential risk of disproportionate impact on some protected groups arising from market instability, reduced provider capacity, and constrained choice. These risks are most likely to affect disabled adults and older people who rely on continuity and availability of adult social care services.

The Council recognises that, if unmanaged, these risks could adversely affect access to care, continuity of services, and outcomes for people with protected characteristics. The Council has therefore carefully considered these risks alongside affordability and wider statutory duties.

To mitigate the potential impacts identified, the Council has put in place a proportionate suite of measures aligned with its duties under the Care Act 2014. These include targeted uplifts for services supporting disabled adults, CPI-linked investment in homecare, proactive market oversight, and established arrangements for managing provider failure and ensuring continuity of care.

In addition, the Council will operate a Sustainability Fund as a specific equality mitigation. The fund will enable targeted, proportionate, and time-limited interventions where there is clear, evidenced risk that market instability or provider failure could disproportionately affect people with protected characteristics. The fund will be used alongside commissioning, contract management, and operational mitigations to safeguard continuity of care and maintain access to services.

The Council will continue to monitor equality impacts through contract management, market intelligence, and engagement with providers and people with lived

experience. The EQIA will be updated where required to ensure ongoing compliance with the Public Sector Equality Duty.

Data Protection implications: A Data Protection Impact Assessment is not required as there are no material changes to the way in which personal data is handled, nor the way in which it is used. Similarly, this work does not involve data profiling or changes to the way in which special category data is handled.

Cabinet Committee recommendations and other consultation: The proposed decision was considered at the Adult Social Care and Public Health Cabinet Committee on 21 January 2026 and the recommendations were endorsed by the majority.

Any alternatives considered and rejected:

- **Apply no fee uplifts across all adult social care services** - This option was considered but discounted. This approach would not align with the Council's Care Act Duties to have regard to market sustainability, nor with its commissioning intention to prioritise prevention, independence, and demand management.
- **Apply a single standard percentage uplift across all services** - This option was also considered but rejected on the basis of the conclusions of the market analysis.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

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Signed

Date