
From: *Christine Palmer, Cabinet Member for Integrated Children's Services*
Christine McInnes, Interim Corporate Director for Children's, Young People and Education

To: *Children's Young People and Education Cabinet Committee – 17 March 2026*

Subject: *Proposed Revision of Rates Payable and Charges Levied for Children's Services in 2026-27*

Decision no: *26/00004*

Key Decision :

- *It affects more than 2 Electoral Divisions*
- *It involves expenditure or savings of maximum £1m – including if over several phases*

Classification: *Unrestricted*

Past Pathway of report: *None*

Future Pathway of report: *Cabinet Member Decision*

Electoral Division: *All*

Is the decision eligible for call-in? *Yes*

Summary: *This paper sets out the proposed revision to the rates payable by children's services within Kent for the 2026-27 financial year*

Recommendation(s):

The Children's, Young People and Education Cabinet Committee is asked to CONSIDER and ENDORSE, or MAKE RECOMMENDATIONS to the Cabinet Member for Cabinet Member for Integrated Children's Services in relation to the proposed decision as detailed in the attached Proposed Record of Decision document (Appendix A).

1. Introduction

- 1.1 This report is produced annually and seeks approval for the Council's proposed rates payable for Children Social Services for the forthcoming financial year.
- 1.2 The report distinguishes between those rates over which Members can exercise their discretion and those which are set by the Government/external agencies.

2. Key Considerations

- 2.1 In relation to those rates where Members can exercise their discretion, the Council has traditionally increased these annually in line with either the annual Consumer Price Index (with and without including occupier's housing costs), more commonly known as CPI or CPIH, or more recently, when CPI/CPIH has been low, the average percentage increase for KCC pay performance.
- 2.2 For 2026-27, the CPIH increase between September 2024 and September 2025 was 4.1% (CPI was 3.8%). CPI & CPIH are considered appropriate measure of inflation and are used by the Government as headline measures of inflation. CPIH is considered the most appropriate measure of estimating cost increases for foster carers and other permanency related payments as it also considers housing costs.
- 2.3 The Kent pay award for 2026-27, as recommended by the Personnel Committee and agreed at County Council in February, is between 3.8% and 6.75%, an average of 4% has been taken for the purpose of this paper.
- 2.4 These proposals include applying an uplift to the maintenance element of the foster carer weekly payment in line with the uplift applied to the DFE published rates (known as the National Minimum Allowance or NMA). The DFE confirmed they are intending to increase the NMA for Local Authorities in the South East by an average of 3.34% in 2026-27. The increase varies depending on the age of the child being supported but ranges from 3.17% to 3.57%.
- 2.5 The security of an annual uplift continues to form part of Kent Fostering's approach to improving the recruitment and retention of foster carers by enabling the service to provide a more competitive package in the carer's marketplace.
- 2.6 Appendix 1 provides a list of all rates proposed for 2026-27 compared to the approved 2025-26 rates. The methodology for each proposed rate increase is outlined in Appendix 2. The effective date for all proposed rate changes is 1 April 2025 and they will apply until 31 March 2026 or until a decision is taken to revise these rates further, whichever is sooner.
- 2.7 All payments are made in line with the prevailing Fostering Payment Policy.
- 2.8 In addition, for Direct Payments (normally but not exclusively paid to families with disabled children) there will be no general uplift instead a general provision of £0.2m is included in the budget to enable the Council to respond to individual circumstances, including increases required to reflect National Living Wage changes or changes in costs of managing payroll services. Direct payment rates will continue to be reviewed on an individual basis through support planning and review processes to ensure they are sufficient to meet assessed needs.

3. Background

- 3.1 The table below provides a history of the uplifts applied to the two main payments (fostering maintenance payment & fostering reward payment) outlined in this paper. The Adoption arrangement payments are also aligned to the fostering maintenance payment.

	CPI/CPIH (Sept of the preceding year) %	KCC Average Pay Award %	Maintenance Payment % increase	Reward Payment % increase
2026-27 (proposed)	4.1%	4%	3.3%	4.1%
2025-26	2.7%	4%	3.6%	4%
2024-25	6.3%	4%	10.6%	6.3%
2023-24	8.8%	6%	8.8%	8.8%
2022-23	2.9%	3%	2.3%	3%
2021-22	0.7%	2%	1.9%	2%
2020-21	1.7%	3.6%	2.0%	3.6%

4. Options considered and dismissed, and associated risk

Option 1: Freezing or applying a standard lower percentage across all payments - Discarded

- 4.1 Consideration was given to either freezing or applying a lower percentage increase.
- 4.2 The NMA rate represents the minimum amount that can be paid to foster carers and is set by the DfE. Kent's scheme is more generous, as the maintenance rate is uplifted to include an allowance for 4 weeks holiday. Therefore consideration was given as to whether this policy should be changed and brought in line with DfE rates however this was discarded.
- 4.3 Our in-house foster carers continue to provide the most cost-effective provision for our looked after children. The annual uplift continues to form part of Kent Fostering's approach to the recruitment and retention strategy of our foster carers by enabling the service to provide a competitive package in the carer's marketplace both in terms of the fostering and wider job market. By not applying a reasonable uplift could put at risk this strategy.

Option 2: Applying a standard higher percentage across all payments - Discarded

- 4.4 The option to implement higher uplifts were rejected on the basis that this would be unaffordable within the allocated budget, instead the proposal is to continue the strategy to offer higher payments to support our most complex children (i.e. step across to fostering scheme, disability enhancements) or promote skills development.

Option 3: Apply a variable uplift across the different foster carer payments (outside the normal methodology) – postponed

- 4.5 A wider review of foster carer payments & offer is currently being undertaken to consider options to improve the recruitment and retention of foster carers, in accordance with National Government ambitions. Therefore, applying a variable uplift ahead of the outcome of review was not considered appropriate at this stage.

5. Financial Implications

- 5.1 Additional funding has been included within the Directorate's 2026-27 budget agreed at County Council in February, under the heading "Prices - Children's Social Care Disabled & Non-Disabled Children" at just under £1.6m. This calculation includes an assumed uplift for all in-house fostering and associated payments. The proposals within this paper are affordable within this budget allocation.
- 5.2 Payments relating to UASC are funded from the Home Office Grants and not a cost to the Council.

6. Legal implications

- 6.1 The national minimum standards, together with regulations on the placement of children in foster care, such as the Fostering Services (England) Regulations 2011, form the basis of the regulatory framework under the Care Standards Act 2000 for the conduct of fostering services. The report distinguishes between those rates over which Members can exercise their discretion, and those set by Government or external agencies.

7. Equalities implications

- 7.1 We have not assessed any adverse impact within these proposals to increase funding rates for children's services.

8. Data Protection Implications

- 8.1 Not applicable

9. Other corporate implications

- 9.1 Not applicable

10. Governance

- 10.1 The Corporate Director of Children's Young People and Education will be delegated the decision to implement the relevant actions to uplift the rates from 1st April 2025.

11. Conclusions

- 11.1 Where members have discretion, the rates proposed in this paper continue to reflect the Council's priority to support our foster carers and strategies to support our most complex children in a home setting.

Recommendation(s):

The Children's, Young People and Education Cabinet Committee is asked to CONSIDER and ENDORSE, or MAKE RECOMMENDATIONS to the Cabinet Member for Cabinet Member for Integrated Children's Services in relation to the proposed decision as detailed in the attached Proposed Record of Decision document (Appendix A).

10. Background Documents**10.1 Documents include:**

- *Equality Impact Assessment*
- *The Fostering Payment Policy presented to CYPE Cabinet Committee on 27th February 2025: [LINK](#)*

11. Appendices

- Appendix 1: List of proposed rates for 2026-27
- Appendix 2: Methodology of price uplift and further details on individual rates for 2026-27

12. Contact details (please insert details below)

<p>Report Author: <i>Karen Stone</i></p> <p>Job title: Children's Young People and Education Finance Business Partner</p> <p>Telephone number: 03000 416733</p> <p>Email address: karen.stone02@kent.gov.uk</p>	<p>Director: <i>Kevin Kasaven</i></p> <p>Job title: Director of Children's Countywide Services</p> <p>Telephone number: 03000 416334</p> <p>Email address: kevin.kasaven@kent.gov.uk</p>
<p>Report Author: <i>Caroline Smith</i></p> <p>Job title: Assistant Director of Corporate Parenting</p> <p>Telephone number: 03000 415091</p> <p>Email address: caroline.smith@kent.gov.uk</p>	