

NORTH YORKSHIRE COUNCIL
CHILDREN AND YOUNG PEOPLE'S SERVICE
CORPORATE DIRECTOR'S MEETING WITH EXECUTIVE MEMBERS
3 MARCH 2026

**FOSTERING NORTH YORKSHIRE SERVICE:
Recommendations re 2026/2027 Payment Rates for NYC Foster Carers**

This report

| | | | |
|---|---|------------------------|---|
| Requires a decision | ✓ | Seeks views | ✓ |
| Provides a briefing | | Reports on performance | |
| Is presented in advance of an Executive Member decision | | | |

The following implications are associated with this report:

| | | | |
|---------------------|---|-----------|--|
| Financial Resources | ✓ | Staff/HR | |
| Performance | ✓ | Community | |
| Legal | ✓ | | |

1.0 PURPOSE OF REPORT

- 1.1 To agree the increase in Payment Rates for NYC Foster Carers (including Kinship Carers, Short Break and Specialist Short Break Carers and Staying Put arrangements) for the 2026/2027 Financial Year. This will be for all Allowances, Premiums and Fees (including the Day Care rate) – with the exception of the original protected higher rate for Advanced Foster Carers (of £314.62 a week) that is being honoured for the duration of current placements from the introduction of the NYC Fostering Framework in April 2015 (only one placement now remains under this legacy arrangement).

2.0 BACKGROUND

- 2.1 As an authority, NYC is a member of the national charity The Fostering Network. In the past, The Fostering Network published their recommended Payment Rates for Foster Carers and North Yorkshire had always adopted these rates and thus increases.
- 2.2 Primarily due to the increasing differentials in housing costs across the country, in 2016 The Fostering Network ceased recommending Payment Rates and instead issued the following guidance:

Allowances should be reviewed annually and adjusted to keep up with costs; at least the annual rate of inflation should be applied. Allowances should not be shaved as a result of the financial pressures affecting the majority of services.

2.3 The Fostering Network did not indicate which would be their recommended or preferred measure of inflation.

3.0 METHODOLOGY ESTABLISHED FOR THE 2016/2017 PAYMENT RATES AND RECOMMENDATION FOR 2026/2027 PAYMENT RATES

3.1 Following the guidance issued by The Fostering Network, in April 2016 North Yorkshire County Council (as it was then) increased fostering payments by the rate of CPI (Consumer Price Index) in December 2015 (which at the time was 0.2%).

3.2 The 2016/2017 methodology has been adopted every year since. In 2023/2024 there were also other additional payment increases: above inflation increase to the Accredited Foster Carer Premium, introduction of bridging payments for Accredited Foster Carers and payment to all Foster Carers of the first 100 miles of travel (that had previously been expected to be paid from the child's/young person's Allowance).

3.3 As such, the proposal for 2026/2027 Payment Rates is an increase by the rate of CPI in December 2025 – which was 3.4%.

3.4 Sufficient budget provision has been incorporated into the North Yorkshire Council MTFS (Medium Term Financial Strategy) to cover a 3.4% increase in Fostering payments.

3.5 Justification for utilising the December 2025 CPI rate of 3.4% is twofold:

- To use a month different to December 2025 to identify the rate of CPI to utilise for the 2026/2027 Payment Rates would differ from the now established and accepted practice in North Yorkshire
- To remain as competitive as possible with Independent Fostering Agencies and neighbouring authorities with respect to future recruitment and the Allowances, Premiums and Fees that North Yorkshire pays Foster Carers

4.0 DAY CARE RATE

4.1 The National Living Wage will rise by 50p per hour to £12.71 per hour in April 2026, the day care rate has in previous years been calculated in line with this figure with a deduction made for the basic rate of tax as the majority of carers do not pay Income Tax on fostering income. A day care rate in line with the new National Living Wage is calculated without including the basic 20% rate of tax – thus be 80% of £10.17.

4.2 It is proposed that the same methodology is adopted for this years increase, with the day care rate increasing to £10.17 per hour (an increase of £0.40 per hour).

4.3 On average, about 1,040 hours of day care a month take place (equating to 12,483 hours of Day Care a year).

4.4 An increase of £0.40 per hour would equate to an uplift of 4.01% and would cost approximately £4,993 extra a year. This is in line with a budgeted inflationary uplift of 4%.

4.5 The Department for Education has released the minimum weekly allowance for 2026/2027 which are below:

Weekly allowances for the tax year from 6 April 2026 to 5 April 2027

| Child's age | London | South East | Rest of England |
|--------------------|---------------|-------------------|------------------------|
| 0 to 2 | £205 | £195 | £176 |
| 3 to 4 | £208 | £203 | £182 |
| 5 to 10 | £233 | £223 | £201 |
| 11 to 15 | £266 | £255 | £227 |
| 16 to 17 | £309 | £298 | £267 |

4.6 North Yorkshire's fostering allowances are benchmarked competitively against the DfE minimum weekly allowance for 2026/27. Consideration will be given to any national reforms which may be made considering the Children's Minister's recent announcement to address the decline of foster carers and improve the foster care system in England.

4.7 North Yorkshire Councils proposed fees from April 2026 for pre-accredited carers are detailed below which remain above the minimum allowance set by the government. Please note one of our age brackets slightly differs:

| Child's age | North Yorkshire basic fee |
|--------------------|----------------------------------|
| 0 to 4 | £200.71 |
| 5 to 10 | £228.68 |
| 11 to 15 | £284.51 |
| 16 plus | £346.12 |

4.8 North Yorkshire's fees are split into three scales which includes pre-accredited (basic fee), accredited, advanced and specialist fees.

5.0 CLIMATE CHANGE IMPLICATIONS

5.1 See Appendix 1

6.0 EQUALITIES IMPLICATIONS

6.1 See Appendix 2

7.0 RECOMMENDATIONS

7.1 For the 2026/2027 Payment Rates for NYC Foster Carers (including Kinship Carers, Short Break and Specialist Short Break Carers and Staying Put arrangements) to be increased by 3.4% (in line with the December 2025 rate of CPI).

7.2 To increase the Day Care rate to £10.17 per hour (to keep in line with 80% of the level of the National Living Wage being introduced in April 2026).

CORPORATE DIRECTOR – CHILDREN AND YOUNG PEOPLE'S SERVICE

Report prepared by Portia Staveley 11th February 2026