

Classification: Open	Decision Type: Key
--------------------------------	------------------------------

Report to:	Cabinet	Date: 11 March 2026
Subject:	Adult Social Care Provider Fees	
Report of	Cabinet Member for Adult Care, Health and Public Service Reform	

Summary

1. This report details the fee engagement process including timelines and proposed recommendations for the standard fee proposal to contracted providers of adult social care services for the period 2026/27.
2. For each provider sector, the Council has uplifted the staffing element of the fee by 5% in line with the increase in the Real Living Wage and 6.73% for those paying the National Living Wage. The % impact of the changes to National Insurance contributions for Employers has also been included in the uplifts provided for the coming financial year. Uplifts are also included on non-staffing costs to support providers with other cost pressures advised by providers in the engagement process.

Recommendation(s)

3. To note the outcome of the fee engagement process detailed below.
4. To approve the uplifted 2026/2027 Hourly Fee Rate, with effect from 1st April 2026, as follows:
5. **Residential Care 2026/27 Fee Proposal**

To increase the weekly fees paid per person to providers for the provision of Older Adults Residential Care as shown below:

Older Adults Residential

Rate type	Weekly Fee Rate 2025/26	% Uplift	Weekly Fee Rate 2026/27
Real Living Wage	£725.21	5.34%	£763.95
Standard	£707.12	4.84%	£741.33

Older Adults Residential Dementia

Rate type	Weekly Fee Rate 2025/26	% Uplift	Weekly Fee Rate 2026/27
Real Living Wage	£760.83	5.37%	£801.66
Standard	£741.75	4.86%	£777.81

Older Adults General Nursing

Rate type	Weekly Fee Rate 2025/26	% Uplift	Weekly Fee Rate 2026/27
Real Living Wage	£806.81	5.36%	£850.09
Standard	£787.73	4.86%	£826.04

Older Adults Nursing Dementia

Rate type	Weekly Fee Rate 2025/26	% Uplift	Weekly Fee Rate 2026/27
Real Living Wage	£869.55	5.46%	£917.00
Standard	£850.33	4.95%	£892.45

Adults Residential Care MH/LD/PD

Rate type	Weekly Fee Rate 2025/26	% Uplift	Weekly Fee Rate 2026/27
Real Living Wage	£725.58	5.34%	£763.95
Standard	£707.51	4.84%	£741.33

- 5.1 There are several providers who receive fee rates over and above those standard rates outlined above. These are often due to historical arrangements or emergency placements. To ensure fairness and consistency across the provider market, the Council will only be offering uplifts to those providers in receipt of their standard fee rates.

6 Care at Home 2026/27 Fee Proposal

- 6.1 In 2022/23 the implementation of the Controcc system enabled the Council to introduce payment based on actual contact time, aligning with the Care at Home contract. This resulted in in-year uplifts for providers who met specific Key Performance Indicators relating to our Electronic Call Monitoring Service Specification. Currently, all framework Care at Home Providers receive this enhanced payment rate.
- 6.2 All bidders for the October 2026 Care at Home Contract will be obliged to comply with the Electronic Call Monitoring Service Specification and will therefore be paid at the enhanced rate from the commencement of the Contract.
- 6.3 The rate received by framework Care at Home Providers is based on actual contact time e.g. if an hour care call is completed in 80% of the time, the provider receives 80% of the hourly rate.

- 6.4 The standard rate is paid to providers whose commissioned arrangement does not include payment based on actual service delivery.
- 6.5 The Council proposes to increase the hourly fees paid per person to providers for the provision of Care at Home as shown below:

Care at Home (Framework)

Rate type	Hourly Fee Rate 2025/26	% Uplift	Hourly Fee Rate 2026/27
Standard	£23.45	3.60%	£24.30
Enhanced	£27.69	3.05%	£28.53

7 Supported Living and Community Outreach 2026/27 Fee Proposal

- 7.1 The Council proposes that where we pay an hourly rate for Supported Living and Community Outreach services, it will be no more than the uplifted rate outlined below. Please note this rate will not be applicable where services have been commissioned on block arrangement/via a competitive tender:

Supported Living Waking Hours

Rate type	Hourly Fee Rate 2025/26	% Uplift	Hourly Fee Rate 2026/27
Real Living Wage	£22.54	5.30%	£23.73
Standard	£22.14	3.73%	£22.97

Supported Living Sleep-in rate

Rate type	Hourly Fee Rate 2025/26	% Uplift	Hourly Fee Rate 2026/27
Real Living Wage	£14.13	6.26%	£15.01
Standard	£13.75	3.79%	£14.27

8 Direct Payments 2026/27 Fees Proposal

- 8.1 The Council proposes to increase the hourly rate paid per person to a Personal Assistant for those in receipt of Direct Payments as shown below. The Direct Payment rate already allowed the payment of the Real Living Wage:

Direct Payments (Personal Assistants)

Rate type	Hourly Fee Rate 2025/26	% Uplift	Hourly Fee Rate 2026/27
Real Living Wage	£14.97	6.29%	£15.91

- 8.2 Where a Direct Payment is used to employ a Care at Home agency, the payment rate will align with the standard Care at Home rate, as shown below

Rate type	Hourly Fee Rate 2025/26	% Uplift	Hourly Fee Rate 2026/27
Standard Care at home	£23.45	3.60%	£24.30

- 8.3 For Personal Assistants or Care at Home Providers with an agreed hourly fee rate above the proposed 26/27 rate due to historical arrangements, the existing fee rate will remain unchanged. However, Personal Assistants or Care at Home Providers with fees above the 25/26 rate but below the proposed 26/27 fee rate, will be uplifted to the standard 26/27 fee rate.

9 Shared Lives

- 9.1 Shared Lives provision is an area of development and focus for the Council over the coming 12 months and last year resulted in a redesign of the funding bands. The current proposal is:

Rate type	Session Fee Rate 2025/26	% Uplift	Hourly Fee Rate 2026/27
Day Support	£24.72	4.84%	£25.92
Current respite carers	£64.60	4.84%	£67.73
Respite -Band 1 new carers	£53.81	4.84%	£56.41
Respite -Band 2 new carers	£74.43	4.84%	£78.03
Respite -Band 3 new carers	£91.60	4.84%	£96.03
Current long term carers	£452.24	4.84%	£474.13
Long Term (Band 1 new customers)	£400.52	4.84%	£419.91
Long Term (Band 2 new customers)	£458.01	4.84%	£480.18
Long Term (Band 3 new customers)	£515.26	4.84%	£540.20

10 Residential Dementia Plus

- 10.1 Fees are one of the levers available to the Council to help steer the market to meet the needs of residents now and in the future. We are conducting an analysis of out of borough Residential Dementia placements, and those Residential Dementia placements in borough that require additional one to one hours to meet the resident's needs.
- 10.2 The aim is for this to determine the average spend on these placements and help inform a new, Residential Dementia Plus rate. This would be for those people whose needs cannot be met in a standard Residential Dementia placement, requiring support from specially trained staff and with an increased staffing ratio.
- 10.3 This would mirror the approach by many Great Manchester Authorities and encourage providers to offer services in borough to meet the needs of these residents, reducing the need for costly out of borough placements.

Reasons for recommendation(s)

- 11 The Council is required to carry out a provider fee engagement process and has done so for year 26/27. The uplifts are within budget and look to drive the provider market to meet needs now and going forward, while ensuring provider sustainability in light of current pressures. The recommended fee rates also support providers to pay their staff the Real Living Wage and continue the move towards the Cost of Care.

Alternative options considered and rejected

- 12 Alternatives were not considered as we are required to issue fee uplifts within allocated budget.

Report Author and Contact Details:

Name: Natalie Bray
Position: Commissioning Manager
Department: Health and Adult Care
E-mail: n.bray@bury.gov.uk

Background

1. Introduction

- 1.1 The Council is undertaking a fee engagement process with contracted providers of adult social care services in order to define both the fee proposals for 2026/27 and determine the final fee recommendations.
- 1.2 The Community Commissioning Team usually reviews fee rates on an annual basis. It is recommended that the fee arrangements proposed this year are also for one year only 1st April 2026 – 31st March 2027. This report provides recommendations for the payment of fees in relation to the following service areas:
- Older Adults Residential Care

- Adults Mental Health (MH)/Learning Disabilities (LD)/Physical Disabilities (PD) Residential Care
- Care at Home
- Supported Living
- Direct Payment
- Shared Lives

Not covered by this report:

- Out of Borough Services where we pay the host authority agreed annual rate.

2. Real Living Wage

- 2.1 The Council is a proud Real Living Wage paying Local Authority and supports its Adult Social Care Providers to also pay their staff the Real Living Wage by offering rates that enable staffing costs to meet the requirements of the Real Living Wage. The increase in the Real Living Wage and National Living Wage is considerable but the Council is happy to maintain its commitment to its providers by ensuring this increase is covered in the staffing element of the providers' fees.

3. Fee Proposal

- 3.1 In response to the above, and feedback from providers the following option is proposed:
- 3.2 Continue with the development of a tiered fee model specifically within Care Homes in order to support the strategic direction of Bury and future market development. Four years ago, a dementia premium was introduced in Bury for the first time and three years a nursing dementia premium. This year those premiums will be increased further.
- 3.3 This will continue to form the basis of care home fee setting in the future with areas of development such as Dementia, complex needs and nursing care receiving higher level increases. It is a common complaint that there is little reason for Providers to expand into those areas where we are seeing and continue to expect increased demand when there is little differentiation between the fee levels.
- 3.4 The fee proposals are detailed in the Summary section above.

4 Fee Engagement Process 2026-27

- 4.1 The Council undertakes an annual fee engagement process with contracted providers, in line with good practice and statutory legislation, which states that when setting and reviewing fee costs, Councils should have due regard to the actual costs of providing care and other local factors, along with a responsibility for managing the local care market.
- 4.2 Following feedback from Providers on previous years engagement, a new costing workbook was shared which allowed providers to provide greater detail on the cost and pressures they are facing. This was reviewed and duly considered when developing the suite of fee uplifts for 26/27.

4.3 Fee Engagement Groups were run for each service area, and this allowed the opportunity to discuss the fee proposals and outline cost and operational pressures impacting on their service delivery. Further details are outlined below in section 14.

5 Cost Pressures

5.1 It is acknowledged that all providers of social care are facing the following national cost pressures over the next 12 months:

- National Living Wage/Real Living Wage
- Inflation
- CQC Registration
- Energy Prices
- Known and un-known pressures including insurance increases/PPE costs etc

5.2 As shown above one of the cost pressures facing providers is the increase in the National Living Wage and Real Living Wage rates in 2026/27. This increase has been captured for all care providers in the staffing element of their fee uplift.

5.3 It is evident that many providers of social care pay the majority of employees, at or near to the minimum wage and as employee costs equate to a large proportion of expenditure for social care providers, the mandatory requirement to increase pay to those employees that are paid the minimum wage will result in a cost pressure.

5.4 There will also be an expectation from those employees that are paid close to the minimum wage that the differential will continue to be maintained or there will be a real risk that the profession will become less attractive to existing or potential employees and providers will struggle to recruit either sufficient numbers or caliber of people.

5.5 The UK's main inflation measure as of November 2025, was 3.2%. This, alongside the rising energy prices is putting more pressure on the ongoing viability of all Adult Social Care Providers.

6 Benchmarking AGMA Council Fee Rates

6.1 Another issue to consider when setting fee rates is that of fee rates paid in neighbouring authorities, to ensure that the Council pays comparable rates to others, which creates an element of stability to the wider market across Greater Manchester (GM). We have not received our partners 2026/27 rates at this time for comparison but from discussions we are in line with neighbouring authorities.

7 Consultation – Provider Feedback

7.1 Provider responses to the cost and operational pressure forms have been collated. Pressures were broadly similar across providers with the main themes being:

- Energy costs
- Inflation
- Retention and recruitment concerns
- Potential increasing PPE/cleaning costs

- Increased in Insurance costs
- NLW and RLW uplifts
- Increased CQC costs
- Reduced occupancy and capacity with care homes and care at home providers.

Links with the Corporate Priorities:

- 1 The uplifts will support providers of Adult Social Care; working and based locally to remain sustainable. It also encourages enterprise within the provider market by encouraging development of services to meet the growing needs of the people of Bury.

Equality Impact and Considerations:

- 2 Full EIA has been completed which has identified potential impacts across several characteristics and circumstances, this activity seeks to address these impacts. All impacts are mitigated and are therefore likely to be neutral.

Environmental Impact and Considerations:

- 3 An environmental impact assessment has not been undertaken for the scheme, as there are no implications or carbon impact of this decision.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Uplifts are insufficient to maintain the sustainability and viability of care providers.	<p>Fee proposals were established as part of engagement exercise with providers.</p> <p>Council Commissioning team allocate each care provider their own contract manager who will continue to work with, support and monitor risk to individual provider sustainability.</p>

Legal Implications:

The Care Act 2014 places a statutory duty to shape and promote a sustainable market for care and support services. An annual fee setting process enables the Council to work with providers to provide an efficient, diverse and high-quality service which aims to ensure that legislative and regulatory requirements are met.

Financial Implications:

The total cost of providing the required 2026/27 budget provision for the Provider fee uplifts set out in this report is £6.366m which includes the 6.7% increase in the Real Living Wage

As part of the monthly budget monitoring cycle, Finance and Budget holders will track the expenditure regarding contracted providers of adult social care services ensuring that all expenditure aligns to the funding provided.

Any financial risks/pressures identified will be highlighted to the Director of Adult Social Services as part of the monthly budget monitoring cycle whereby an action plan will be deployed to mitigate any financial risks/ pressures.

Background papers:

None.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning