



Item No: 9

Meeting Date: Wednesday 14th May 2025

Glasgow City Integration Joint Board

Report By: Margaret Hogg, Interim Chief Officer, Finance and Resources

Contact: Margaret Hogg

Phone: 0141 287 8258

National Care Home Contract Increase 2025-26

Purpose of Report:

The purpose of this report is to update the IJB on the increase to the National Care Home Contract (NCHC) fee rates for 2025/26 and the proposed increases on our other commissioned services.

Background/Engagement:

The NCHC is a national contract which is negotiated across Scotland and full engagement of Scottish Councils via COSLA.

Governance Route:

The matters contained within this paper have been previously considered by the following group(s) as part of its development.

HSCP Senior Management Team ☐
Council Corporate Management Team ☐
Health Board Corporate Management Team ☐
Council Committee ☐
Update requested by IJB ☐
Other ☐
Not Applicable ☒

Recommendations:

The Integration Joint Board is asked to:

- a) Note the rates from 7 April 2025 as outlined in Appendix 1;
- b) Agree to apply the NCHC uplift to commissioned services attached at Appendix 1;
- c) Instruct the council to vary the contracts with providers in line with the conditions at 4.3; and
- d) Note that a further update may be required once the Agenda for Change negotiations are concluded.

Relevance to Integration Joint Board Strategic Plan:

The delivery of good health and social care outcomes is dependent on the quality of care delivered by providers with whom we contract. This offer improves conditions for staff and organisations and should contribute to improved health and wellbeing outcomes for staff and service users.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome(s):	Outcome 9. Resources are used effectively and efficiently in the provision of health and social care services.
Personnel:	No impact on Partnership personnel.
Carers:	No direct impact on carers.
Provider Organisations:	This settlement assists providers to deliver the Adult Social Care Pay uplift and helps with their financial sustainability.
Equalities:	This settlement assists providers to deliver the Adult Social Care Pay uplift and helps with their financial sustainability.
Fairer Scotland Compliance:	This settlement supports the delivery of a Fairer Scotland.
Financial:	The cost of the uplift amounts to £7.604m for 2025/26. Budget provision has been made in the IJB's 2025/26 budget to meet this commitment.
Legal:	The NCHC will be varied to reflect provider compliance with the terms set out in the NCHC fee rate letter.
Economic Impact:	None
Sustainability:	None
Sustainable Procurement and Article 19:	None
Risk Implications:	None
Implications for Glasgow City Council:	As outlined under Legal.
Implications for NHS Greater Glasgow & Clyde:	None

Direction Required to Council, Health Board or Both	
Direction to:	
1. No Direction Required	☐
2. Glasgow City Council	☒
3. NHS Greater Glasgow & Clyde	☐
4. Glasgow City Council and NHS Greater Glasgow & Clyde	☐

1. Purpose

- 1.1. The purpose of this report is to update the IJB on the increase to the National Care Home Contract (NCHC) fee rates for 2025/26 and the proposed increases on our other commissioned services.

2. Background

- 2.1. The NCHC is subject to national negotiation. This negotiation sets the rates which will apply for 2025/26 and the expectations in relation to the payment of the Adult Social Care Pay rate by providers.

3. Implications of 2025/26 fee uplift

- 3.1 The rates attached at Appendix 1 are applicable from 7 April 2025 in line with Scottish Government notification to Local Authorities dated 7 April 2025 (Appendix 2). A rate of 5.79% has been applied to nursing care and a rate of 6.79% for residential care. These uplift rates will be applied to both the NCHC and the other commissioned services which are included at Appendix 1.
- 3.2 The cost of the uplift amounts to £7.604m for 2025/26. Budget provision has been made in the IJB's 2025/26 budget to meet this commitment.

4. Adult Social Care Pay

- 4.1 This arrangement requires all providers to pay all workers providing direct care, regardless of age, experience or time in employment, a minimum of £12.60 per hour. This is in line with the commitment to the Adult Social Care Pay policy which has been agreed between Scottish Government and COSLA.
- 4.2 In addition, the rates set out at 4.1 have benchmarked domestic and catering support staff to the National Minimum Wage, this is £12.21.
- 4.3 On this basis the National Care Home Contract will be varied to ensure:
- All direct adult social care workers are paid a minimum of £12.60.
 - Providers agree that remuneration can be periodically monitored by the commissioning authority, including direct verification with employees of the provider.
 - There will be no displacement of any other costs onto staff by the employer.

5. Agenda for change

- 5.1 The rate currently excludes an increase in pay for nurses and associated differentials within the nursing rate. The offer comes with a commitment to consider the approach to nurse pay once Agenda for Change pay negotiations are concluded. Any further update to rates will be the subject of a future report.

6. Recommendations

- 6.1 The Integration Joint Board is asked to:
- a) Note the rates from 7 April as outlined in Appendix 1;
 - b) Agree to apply the NCHC uplift to commissioned services at Appendix 1
 - c) Instruct the council to vary the contracts with providers in line with the conditions at 4.3; and
 - d) Note that a further update may be required once the Agenda For Change negotiations are concluded.



Direction from the Glasgow City Integration Joint Board

1	Reference number	140525-09
2	Report Title	National Care Home Contract Increases (2025/26)
3	Date direction issued by Integration Joint Board	14 May 2025
4	Date from which direction takes effect	14 May 2025
5	Direction to:	Glasgow City Council only
6	Does this direction supersede, revise or revoke a previous direction – if yes, include the reference number(s)	No.
7	Functions covered by direction	Care Homes, Intermediate Care and commissioned services
8	Full text of direction	From 7 April 2025 implement the 5.79% uplift rate to nursing care and 6.79% uplift to residential care, note the rates attached at Appendix 1 and vary the contracts with providers in line with the conditions at 4.3.
9	Budget allocated by Integration Joint Board to carry out direction	The cost of the uplift amounts to £7.604m for 2025/26. Budget provision has been made in the IJB's 2025/26 budget to meet this commitment.
10	Performance monitoring arrangements	In line with the agreed Performance Management Framework of the Glasgow City Integration Joint Board and the Glasgow City Health and Social Care Partnership.
11	Date direction will be reviewed	May 2026

Appendix 1**2025-26 RATES**

	2024/25	2025/26
NCHC Nursing Care		
National Contract rate	£957.57	£1,013.05
National Contract rate for dual room	£932.57	£988.05
Below the National Contract - Default rate	£886.90	£938.29
NCHC Residential Care for Older People		
National Contract rate	£825.94	£881.98
National Contract rate for dual room	£800.94	£856.98
Below the National Contract - Default rate	£755.07	£806.31
Historical Commissioned Services		
Enhanced Residential Care	£869.13	£928.10
Residential Dementia	£1,235.71	£1,319.55
Craigbank Care Home (Residential)	£1,203.18	£1,284.82
Craigbank Care Home (Nursing)	£1,420.50	£1,502.80
Mungo Foundation - Annandale	£1,376.79	£1,470.21
Crannog (ARBI)	£1,268.62	£1,354.70
Commissioned Services		
Richmond Fellowship - Waterloo Close	£4,953.64	£5,289.74
Riddrie Knowes	£1,257.80	£1,330.68
The Oaks	£1,798.92	£1,903.15
The Oaks	£1,937.06	£2,049.29
Greenfield Park (ABI)	£1,649.69	£1,745.27
Eastfield - Nursing	£3,688.01	£3,901.69
Eastfield - Residential	£2,720.01	£2,904.56
Applecross (YPD)	£1,597.16	£1,689.70
Block Funded Discharge to Assess		
Lanam - McQueen Unit	£1,998.74	£2,114.55
Intermediate Care		
Ailsa Craig	£1,192.23	£1,261.31
Burlington	£1,093.06	£1,156.39
Chester Park	£1,202.37	£1,272.04
Oakbridge	£1,202.37	£1,272.04



Email: JJ.Turner@scotland-excel.org.uk

Tel: 0141 488 8710

Our Ref: NCHC2025/26

Date: 7th April 2025

NATIONAL CARE HOME CONTRACT 2025/26

We are pleased to advise that the National Care Home Contract rate for 2025/26 has been agreed, and we are able to confirm the terms of this years settlement which takes effect from 7th April 2025.

Financial Settlement

The Nursing and Residential Care Home rates are based on benchmarks for direct care costs and care home costs in the National Care Home Contract ("NCHC") Care Home Cost Model. It should be noted that Scottish Care does not accept this Cost Model as illustrative of the true cost of care.

The rates which will apply to payment for Nursing and Residential Care for 2025/26, effective from 7th April (commencement of the tax year for pension uprating) are as undernoted:

- **Nursing Care Rate per person per week - £1,013.05**
- **Residential Care Rate per person per week - £881.98**

The settlement reflects the challenging environment faced and the desire for all stakeholders to work in partnership. This recognises the Scottish Government's policy of increasing the earnings of direct care staff within commissioned adult social care to £12.60 per hour in line with the Adult Social Care Pay policy commitment.

The Care Home Cost Model benchmarks Domestic and Catering staff to the National Minimum Wage which is set by the UK Government and, as of 1 April 2025, this is £12.21 per hour.

The rate currently excludes an increase in pay for nurses and associated differentials within the nursing rate including management pay. The offer comes with a commitment to consider the approach to nurse pay once Agenda for Change (AfC) pay negotiations are concluded. The Care Home Cost Model has been adjusted to enable management pay elements within residential care rates to be increased in line with the Consumer Price Index (CPI).

Staffing costs have also been adjusted to reflect the costs associated with changes to employer's National Insurance contributions (eNIC). This unfunded commitment has been included to protect the integrity of the Care Home Cost Model. Should any further change to eNIC take place during the course of the year, placement fees will be adjusted accordingly.



Renfrewshire House,
Cotton Street, Paisley PA1 1AR
Tel: 0141 488 8230
Email: contactus@scotland-excel.org.uk
Web: www.scotland-excel.org.uk

Non-Staff Costs

The settlement reflects changes in the cost calculations in the non-staffing areas of the cost model.

- The Standard approach of applying CPI to all inflationary increases
 - The cost line for registration fees continues to be the exception to this and there has been no change to the Care Inspectorate's registration fee charges.
- The apprenticeship levy/small care home supplement has been continued for 2025/26
- Efficiencies have been maintained at their current level of 2.5% of non-staff costs
- The eNIC cost element has been removed for the provider return calculations in recognition of the significant cost pressure the inclusion of eNICs creates within the settlement rate.

Further Commitments

The settlement recognises that the sector is seeking to discuss a number of issues faced by providers which have been highlighted by Scottish Care. There is therefore a commitment for local government representatives to explore these issues ahead of a joint meeting of providers and local government representative to discuss a mechanism through which each of these issues can be appropriately considered.

Adult Social Care Pay

This arrangement requires all providers to pay all workers providing direct care, regardless of age, experience or time in employment, a minimum of £12.60 per hour. This is in line with the commitment to the Adult Social Care Pay policy which has been agreed between Scottish Government and COSLA. On this basis, the National Care Home Contract will be varied to ensure:

- The provider is funded to ensure that all direct adult social care workers are paid a minimum of £12.60.
- Providers agree that remuneration can be periodically monitored by the commissioning authority, including direct verification with employees of the provider.
- There will be no displacement of any other costs onto staff by the employer.

All other staff roles directly linked to Adult Social Care Policy are subject to the maintaining of their differentials in the cost model. The Care Home Cost Model provides a level of transparency on the cost of care to inform the national rate, but as it is based on benchmark averages, it may not directly match the costs or staff structure of individual care homes. In keeping with previous agreements, however, displacement of cost onto staff by the employer, for example payment for uniforms or service costs, is not permitted. In the event of non-compliance, the uplift can be withheld until such time as the matter is resolved.

Personal Expense Allowance (PEA), Capital Thresholds, Savings Disregard and Free Personal and Nursing Care Rates

The information below is drawn from the advance notice of uprating for 2025/26. It is not expected that there will be any deviation from the agreed rates outlined.

The uprating for 2025/26 rates is outlined below.

- The personal Expenses Allowance is set at £35.90 per week
- The Lower Capital Limit is set at £22,000 and the Upper Capital Limit £35,500
- The Savings Disregard is (for a single person) from £8.50 and (for couples) from £12.60 per week.
- For care home care, the Free Personal Care payment is £254.60 and Free Nursing Care rate is £114.55

Please note that the Free Personal and Nursing Care Rates upratings are effective from 1st April 2025. The PEA, Capital Threshold and Savings Disregards are effective from 7th April 2025.

Default Rate

The “Default Rate” is the rate applied where the provider is in breach of contract as outlined in Clause A.20.10 of the National Care Home Contract (2013-14 as varied). It is determined by applying a percentage reduction of 7.38% to the nursing fee rate and 8.58% to the residential fee rate.

Contract Management

Public contracts in Scotland are governed by the provisions of the Public Contracts (Scotland) Regulations 2015 and Clause A.1.1 of the National Care Home Contract brings all current regulations into force. Those regulations require public bodies to verify that operators have not engaged in corruption, bribery, fraudulent trading or tax evasion, money laundering and human or drug trafficking. Scotland Excel will seek to revisit discussions in relation to introducing a national self-evaluation approach to meeting these requirements as part of the wider review of the NCHC. In the meantime, a local consideration will continue to be required.

The attached MOV sets out the rates and clauses relating to the NCHC to apply the new rate structure. The MOV will have to be sent out to care home providers for signing in order for the new placement rates to be implemented. Scotland Excel, Scottish Care and COSLA will continue to work in partnership to promote the NCHC.

Yours sincerely

Julie Welsh

Julie Welsh
Chief Executive
Scotland Excel

Donald Macaskill
Chief Executive
Scottish Care

Mirren Kelly
Chief Officer
Local Government Finance
COSLA

c.c. Jane O'Donnell, Chief Executive, COSLA
Jackie Irvine, President, Social Work Scotland
Health and Social Care Partnership, Chief Officers
Health and Social Care Partnership, Chief Finance Officers
Chief Executive, NHS Highland