



Item No: 9

Meeting Date: Wednesday 13th May 2026

Glasgow City Integration Joint Board

Report By: Duncan Black, Depute Chief Officer, Finance and Resources

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National Care Home Contract Increase 2026/27

Purpose of Report:

The purpose of this report is to update the Glasgow City Integration Joint Board on the increase to the National Care Home Contract (NCHC) fee rates for 2026/27 and the proposed increases on our other commissioned care homes services.

Background/Engagement:

The NCHC is a national contract which is agreed across Scotland with 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 contents of this report;
- b) Agree the rates from 6th April 2026 and 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;

	<p>d) Note that on conclusion of the Best Value reviews for Specialist Services, updates to rates will be applied at the date each review is completed and approved; and</p> <p>e) Note that a further update may be required to meet the Agenda for Change inflation commitment.</p>
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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.
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Personnel:	No impact on Partnership personnel.
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Carers:	No direct impact on carers.
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Provider Organisations:	This settlement assists Providers to deliver the Adult Social Care Pay uplift and helps with their financial sustainability.
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Equalities:	This settlement assists Providers to deliver the Adult Social Care Pay uplift and helps with their financial sustainability.
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Fairer Scotland Compliance:	This settlement supports the delivery of a Fairer Scotland.
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Financial:	The cost of the uplift amounts to £6.342m for 2026/27. Full provision has been made within the 2026/27 IJB budget approved in March 2026.
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Legal:	The NCHC will be varied to reflect Provider compliance with the terms set out in the NCHC fee rate letter.
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Economic Impact:	None.
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Sustainability:	None.
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Sustainable Procurement and Article 19:	None.
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Risk Implications:	None.
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Implications for Glasgow City Council:	As outlined under Legal.
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Implications for NHS Greater Glasgow & Clyde:	None.
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Direction Required to Council, Health Board or Both	
Direction to:	
1. No Direction Required	<input type="checkbox"/>
2. Glasgow City Council	<input checked="" type="checkbox"/>
3. NHS Greater Glasgow & Clyde	<input type="checkbox"/>
4. Glasgow City Council and NHS Greater Glasgow & Clyde	<input type="checkbox"/>

1. Purpose

- 1.1. The purpose of this report is to update the Glasgow City Integration Joint Board on the increase to the National Care Home Contract (NCHC) fee rates for 2026/27 and the proposed increases on our other commissioned care home services.

2. Background

- 2.1. The NCHC fee rates for 2026/27 have been agreed with the terms of the settlement taking effect from 6th April 2026. The settlement sets out the expectations in relation to the payment of the Adult Social Care Pay rate by Providers.

3. Implications of 2026/27 Fee Uplift

- 3.1 The rates attached at Appendix 1 are applicable from 6th April 2026 in line with Scottish Government notification to Local Authorities dated 13th April 2026 (Appendix 2). A rate of 5.145% has been applied to nursing care and a rate of 5.496% for residential care. These uplift rates will be applied to both the NCHC and the other commissioned care home services which are included at Appendix 1.
- 3.2 The cost of the uplift amounts to £6.342m for 2026/27. Full provision has been made within the 2026/27 IJB budget for approved in March 2026.
- 3.3 Commissioning colleagues are currently undertaking Best Value reviews on those Specialist Services detailed in Appendix 1. On conclusion, each Provider will be notified of the outcome with rate updates taking place from the date each review is completed and approved.

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 £13.45 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 £12.71.

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 £13.45;
- 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 This NCHC fee rate includes an uplift of 3.75% within the nursing element to reflect the Agenda for Change agreements for NHS nursing staff. This uplift comes with a commitment to guarantee that if the Consumer Price Increase from January to December 2026 is greater than 3.75%, this increase will be adjusted upwards appropriately. 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 contents of this report;
- b) Agree the rates from 6th April 2026 and apply the NCHC uplift to commissioned care home services attached at Appendix 1;
- c) Instruct the council to vary the contracts with Providers in line with the conditions at 4.3;
- d) Note that on conclusion of the Best Value reviews for Specialist Services, updates to rates will be applied at the date each review is completed and approved; and
- e) Note that a further update may be required to meet the Agenda for Change inflation commitment.



Direction from the Glasgow City Integration Joint Board

1	Reference number	130526-09
2	Report Title	National Care Home Contract Increase 2026/27
3	Date direction issued by Integration Joint Board	13 May 2026
4	Date from which direction takes effect	13 May 2026
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 and Commissioned Care Home Services
8	Full text of direction	From 6 th April 2026 implement the 5.145% uplift rate to nursing care and 5.496% uplift to residential care. Agree the rates attached at Appendix 1 and vary the contracts with Providers in line with the conditions at 4.3. Note that a further rate adjustments update may be required to reflect the outcome of the Specialist Services Best Value reviews and the Agenda for Change inflation commitment.
9	Budget allocated by Integration Joint Board to carry out direction	The cost of the uplift amounts to £6.342 for 2026/27. Full provision has been made within the 2026/27 IJB budget approved in March 2026.
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	31 March 2027

2026-27 - RATES

	2025/26	2026/27
National Contract rate	£1,021.57	£1,074.13
National Contract rate for dual room	£932.57	£1,049.13
Below the National Contract - Default rate	£886.90	£994.86
<i>NCHC Residential Care for Older People</i>		
National Contract rate	£881.98	£930.45
National Contract rate for dual room	£800.94	£905.45
Below the National Contract - Default rate	£806.31	£850.62
<i>Historical Commissioned Services</i>		
Enhanced Residential Care	£928.10	£979.11
Enable (Leading the Way) - Bankhall, Southside Dementia Service, Crannog LD and Crannog OP units	£1,319.55	£1,392.07
Craigbank Care Home (Residential)	£1,284.82	£1,355.43
Craigbank Care Home (Nursing)	£1,515.45	£1,593.42
Enable (Leading the Way) - Annandale	£1,470.21	£1,551.01
Enable (Leading the Way) - Crannog (ARBD)	£1,354.70	£1,429.15
<i>Commissioned Services</i>		
Richmond Fellowship - Waterloo Close	£5,289.74	£5,580.46
Riddrie Knowes	£1,341.87	£1,410.91
The Oaks	£1,919.16	£2,017.90
The Oaks	£2,066.53	£2,172.85
Greenfield Park – Westerfield Unit	£1,745.35	£1,835.15
<i>Specialist Services</i>		
Greenfield Park – Aberfoyle Unit	£1,745.35	£1,835.15
Eastfield - Nursing	£3,934.52	£4,136.95
Eastfield - Residential	£2,904.56	£3,064.19
Darnley Court SDSS	£2,140.08	£2,250.19
Silverburn Complex Nursing Unit	£3,118.00	£3,278.42
Applecross (YPD)	£1,703.91	£1,791.58
<i>Block Funded Discharge to Assess</i>		
Lanam - McQueen Unit	£2,132.34	£2,242.05



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Our Ref: NCHC2026/27

Date: 13th April 2026

NATIONAL CARE HOME CONTRACT 2026/27

We are pleased to advise that the National Care Home Contract rate for 2026/27 has been agreed, and we are able to confirm the terms of this year's settlement which takes effect from 6th April 2026.

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 2026/27, effective from 6th April (commencement of the tax year for pension uprating) are as undernoted:

- **Nursing Care Rate per person per week - £1,074.13**
- **Residential Care Rate per person per week - £930.45**

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 £13.45 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 2026, this is £12.71 per hour.

The rate includes the AfC increase in pay for nurses of 3.75%. The Care Home Cost Model has been adjusted to enable management pay elements to be increased in line with the Consumer Price Index (CPI).

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 2026/27
- Efficiencies have been increased from 2.5% to 2.75% of non-staff costs



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Further Commitments

The settlement acknowledges that the sector has expressed an interest in further discussions on a range of issues within the Cost Model raised by providers through Scottish Care. In light of this, Local Government representatives will explore these matters in advance of any future joint engagement with provider representatives with a view to identifying if and how such issues might be taken forward within the current context.

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 £13.45 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 £13.45.
- 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 2026/27. It is not expected that there will be any deviation from the agreed rates outlined.

The uprating for 2026/27 rates is outlined below.

- The Personal Expenses Allowance is set at £37.65 per week
- The Lower Capital Limit is set at £22,750 and the Upper Capital Limit £36,750
- The Savings Disregard is (for a single person) from £8.95 and (for couples) from £13.25 per week.
- For care home care, the Free Personal Care payment is £260.30 and Free Nursing Care rate is £117.10

Please note that the Free Personal and Nursing Care Rates upratings are effective from 1st April 2026. The PEA, Capital Threshold and Savings Disregards are effective from 6th April 2026.

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
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COSLA

c.c. Jane O'Donnell, Chief Executive COSLA,
Fiona Duncan, Convenor, Social Work Scotland
Health and Social Care Partnership, Chief Officers
Health and Social Care Partnership, Chief Finance Officers
Chief Executive, NHS Highland