

Adult Social Care Fee Uplifts 2026/27 Updated Briefing Note (Part 2)

January 2026

This Part 2 briefing should be read alongside the original BCA Evidence Submission – ASC Fee Uplifts 2026/27, as it provides an essential update responding directly to the Autumn Budget, the confirmed statutory changes arising from the Employment Rights Bill (ERB), the April 2026 National Living Wage (NLW) increase, and the indicative uplift figures recently shared by the Local Authority. These developments materially affect provider costs and sustainability and require adjustments to the approach previously set out in the original briefing paper.

Bradford Care Association has reviewed the Council's indicative uplift proposals for 2026/27 alongside provider feedback, cost data, and the benchmarking shared at the Local Authority Finance Forum. This briefing therefore sets out the minimum uplift required to maintain service standards and viability in 2026/27, based squarely on the Council's own methodology, supplemented only by statutory requirements and evidenced inflationary pressures.

The Finance Forum benchmarking confirmed that Bradford's adult social care fee levels remain below national averages across most service types. Residential and Nursing Care were highlighted as significantly lower than national comparators, and the Council acknowledged that Supported Living is an outlier, with rates noticeably below peer authorities. Home Support sits in a comparatively stronger position but is still below the national average and has been exposed to the same non-pay cost increases experienced across the market.

On this basis, while BCA fully supports the Council's intention to apply non-pay inflation to Supported Living, the same rationale must also apply to Home Support and Extra Care, where providers continue to face substantial inflation in fuel, fleet, digital systems, insurance, consumables, utilities and compliance costs. Applying non-pay inflation selectively risks reducing Bradford's relative competitiveness further and fails to reflect the real cost environment providers have endured. There is concern that a further erosion in real fee rates will mean providers are less able to support health and care system partners, facilitate discharges, and support those who are most vulnerable in the Bradford population whose health and wellbeing will show further decline.

This point is reinforced by the pressures experienced in 2025/26. Providers reported that the Employer National Insurance Contribution (ENIC) increase was significantly underestimated and not fully funded in last year's uplift, compounding pressures from energy, insurance, workforce recruitment, digital systems and inflation in food and consumables. As highlighted in the October briefing paper, providers are making significant efficiencies, reducing staffing where possible, and narrowing food choices; these actions are impacting service quality and our workforce. This approach is not sustainable and some providers are potentially making a loss. Given these challenges, it is essential that 2026/27 uplifts accurately reflect statutory obligations and realistic inflation so that the market is not further destabilised.

It is essential that all statutory workforce-related changes are funded in full, not limited to the NLW uplift. The statutory SSP reform introduced under the ERB must also be recognised and fully costed, in the same way the Council appropriately funded the increase to employer National Insurance contributions last year. BCA therefore asks that this approach is repeated for 2026/27, ensuring all mandated staffing costs are reflected accurately in fee uplifts.

Statutory changes that must be funded in 2026/27

Two statutory cost drivers arise in 2026/27:

National Living Wage, rising to £12.71 (+4.1%) from April 2026, affecting a high proportion of the workforce. Employment Rights Bill (ERB) – Statutory Sick Pay (SSP) Reform from April 2026:

- SSP payable from day one (no waiting days)
- Lower Earnings Limit removed, expanding eligibility
- Paid at 80% of AWE or flat weekly rate, rising to £123.25 per week in 2026/27

Please note around 18% of the workforce is made up of overseas recruits (ASC-WDS), whose sponsored-worker minimum salary of £12.82 per hour—with a further rise expected—already exceeds NLW, adding additional pressure to provider wage costs.

Methodology used for 2026/27 uplift calculations

To remain fully aligned with the Council's approach, BCA has applied:

- 4.1% NLW uplift to each sector's Council-defined staffing split
- Plus 0.8% SSP uplift, reflecting statutory ERB changes
- Plus 6.5% non-pay inflation applied to each sector's Council-defined non-staff split

SSP Uplift

Using a 7% sickness rate (consistent with Skills for Care), each FTE averages 18.2 sickness days per year. With a typical episode lasting five days, this corresponds to 3.6 episodes per FTE annually. The removal of the first three unpaid waiting days generates an additional 10.9 paid SSP days per FTE per year. With the new daily SSP rate of £24.65, this results in £268.68 additional SSP cost per FTE, which equates to approximately 0.8% of turnover for all service types.

Non-Pay Inflation

The 6.5% non-pay inflation rate is a blended measure, reflecting weighted increases across fuel, utilities, insurance, digital systems, food, and compliance costs — all areas where inflation has remained significantly above CPI. By contrast, the Council's 2.5% inflation assumption is based on general CPI forecasts and does not capture these sector-specific pressures. The blended 6.5% rate therefore offers a more realistic and proportionate assessment of the actual cost increases experienced by providers.

BCA has not altered the Council's staffing proportions for 2026/27 uplift calculations, but notes that evidence suggests they understate staffing intensity in some areas. A full Cost of Care (CoC) exercise in 2026/27 is recommended to correct this for 2027/28 onwards.

Full Uplift Split Table – 2026/27

Service Type	Council Staffing Split	Council Non-Staff Split	Pay Uplift (Council Method)	SSP Uplift	Non-Pay Uplift (6.5%)	Total Minimum Uplift
Care Homes	67.75%	32.25%	2.78%	0.8%	2.09%	5.67%
Home Support	80%	20%	3.28%	0.8%	1.30%	5.38%
Extra Care	70%	30%	2.87%	0.8%	1.95%	5.62%
Supported Living	70%	30%	2.87%	0.8%	1.95%	5.62%

These figures represent the minimum stand-still uplift required to cover statutory obligations and core non-pay inflationary pressures. They do not include additional real-world pressures associated with pay progression, recruitment, digital compliance, or regulatory demands.

Fair uplift vs minimum uplift

The minimum figures above address only the mechanical elements of pay, statutory SSP and inflation. They do not reflect the full increase in operational costs documented by providers, nor do they address the structural underfunding accumulated over several years. A fair and realistic uplift that accounts for the true increase in running costs is closer to 8%, though even this remains below the sector's True Cost of Care baseline.

Care Cubed

Specialist care home providers request that Care Cubed uplifts are applied in full and without delay, with all pending reviews completed before the new financial year or backdated to 1 April 2026. The Council should also support any providers who have not yet engaged in the review process to complete it quickly, ensuring no provider is disadvantaged by uplifts being applied only to outdated base rates.

Workforce Hub / Learning & Development Hub

We ask that the Learning & Development Hub is implemented as an added benefit rather than a reduction to the core uplift, recognising its potential to strengthen workforce capability and market resilience. By applying the 0.13% investment as an additional contribution from the start, the Council can enhance quality, support recruitment and retention, and deliver shared system benefits. This small, ring-fenced investment will support both providers and the Council by improving quality, reducing compliance risks, and enabling targeted sector-wide improvement..

Request for Early Communication of Proposed Fee Rates

BCA strongly requests that BMDC share proposed 2026/27 fee rates as early as possible, enabling meaningful engagement and allowing providers to prepare and implement statutory changes and provide sufficient notice to people who use services of care fee uplifts.

Conclusion and Asks

BCA therefore asks that the Council:

- Incorporates the statutory SSP uplift of 0.8% into all service line uplifts for 2026/27.
- Applies 6.5% non-pay inflation to the non-staff share of all sectors.
- Implements the sector-specific minimum uplifts shown in the table above (5.38%–5.67%).
- Commits to delivering a full Cost of Care exercise during 2026/27.
- Apply Care Cubed uplifts in full and promptly, with any outstanding reviews backdated to 1 April 2026.

- Ensures the Workforce Hub proposal does not reduce statutory uplifts and is delivered through genuine co-design.
- Shares proposed fee rates early, enabling meaningful consultation and operational planning.

Bradford Care Association remains committed to working collaboratively with the Council to ensure a sustainable and high-quality care market, supported by transparent and evidence-aligned fee-setting.