



Care Homes supporting adults over 65 yrs
Care Homes supporting adults aged 18-65 yrs with learning disabilities and mental health
Supported Living and Supported Accommodation Providers
Domiciliary Care Providers (Children & Adult providers)
Direct Payments
Shared Lives



Date: 9th March 2026

Your ref: Fee Uplift 2026/27

Dear Provider Colleagues

Social Care Fees 2026/2027 and Multi-Year Approach

This letter sets out the fee uplift for 2026/2027 and our considerations in determining this, including our approach to a three-year commissioning and funding position. Before we go into the detail, we do want to express our sincere thanks for working closely again with us over the past 12 months and for the support and care you give to the most vulnerable people in our Borough, it is truly appreciated especially given the pressures that yourselves, like the Council are under at present.

It was good to meet so many of you in person on 20 January 2026 where we discussed the Council's financial position and the increased demand and key factors that have affected all of us last and this year. We particularly recognise the National cost drivers, with increase to National Living Wage and National Insurance and the impact this is having on all care providers. We gave details of how you could give your views as part of the Council's budget consultation for the next financial year.

The Council's budget was confirmed at Full Council on the 26th of February 2026 and as part of this the Council considered the investments that could be afforded to Adult Social Care (ASC) and Children's Safeguarding alongside other corporate priorities and responsibilities. Despite the challenging backdrop of having to implement significant savings in 2026/27 across the Council, we are pleased to confirm we have prioritised an additional net investment of £15.8 million into Adult Social Care and £2.7million into Children's Services for 2026/27. This decision underscores our unwavering commitment to supporting the vulnerable members of our community.

Whilst we have seen an increase in Government funding above what we expected, significant pressure on Council budgets remain to meet the ever-increasing costs associated with the demand and cost of care services. Since 2020, care costs have escalated dramatically, often well above the rate of inflation. Our fee rates for bed-based care also continue to rise by on average higher than inflation.



Reliable benchmarking information shows that for bed-based care types and across all adults in care, Telford & Wrekin are seeing unit costs ranking above the Regional and National averages for some care types. Therefore, it is important to note that some Councils may propose higher proportionate increases in fees next year. It is important to recognise that, in relation to the fair cost of care, each Council faces its own local pressures that influence market sufficiency and overall stability. In Telford & Wrekin, our fee rates reflect the distinct circumstances and challenges within our local care market. You may see reports of other Local Authorities applying higher percentage uplifts; however, it is worth noting that these increases are often applied to baseline fee rates that are significantly lower than those already in place in Telford & Wrekin. As highlighted at the January meeting, our Authority is already paying comparatively high fee rates in some areas of care when measured against both national and regional averages.

To align with the Local Authority's three-year funding settlement, and in response to requests from many providers, including Partners in Care for greater support with long-term planning and financial sustainability, we will adopt a three-year commissioning and funding approach. Whilst this letter sets out the fees for 2026/27, these will be replicated for the following two years (2027/28 and 2028/29), providing stability and enabling providers to plan with confidence. We recognise that the care market is highly sensitive to national economic conditions, particularly inflation and changes to the National Living Wage (NLW). To ensure the sustainability of services, we will therefore review the agreed fee structure if there is a significant and unanticipated increase in inflation or NLW uplifts that materially affect provider costs. We hope that this approach will support workforce development, strengthen market sustainability, and ensure that our commissioning activity remains consistent and strategically aligned over the medium-term.

For 2026/27 the Council is awarding varied uplifts based on care type and market provision:

Residential 65+ (Bed-Based) In and Out of Borough

For bed rates which in 25/26 were within the lower banding shown below, the increase will be 1%. There are a number of contracts that are paid below our calculated fair rate based on a review of current market conditions and for these we will uplift by 2%.

Care Type	2026/27
65 years and over Residential	£793

For individual packages already being paid at more than the higher rate shown below, the Council will not award a fee increase.

Care Type	2026/27
65 years and over Residential	£923

Residential Dementia, Nursing and Nursing Dementia Older People 65+ (Bed-Based) In and Out of Borough

For bed rates which in 25/26 were within the lower banding shown below, the increase will be 1.5%. There are a number of contracts that are paid below our calculated fair rate based on a review of current market conditions and for these we will uplift by 3%.

Care Type	2026/27
65 years and over Residential Dementia	£853
65 years and over Nursing (Excl FNC)	£1076
65 years and over Nursing Dementia (Excl FNC)	£923

For individual packages already being paid at more than the higher rate shown below, the Council will not award a fee increase.

Care Type	2026/27
65 years and over Residential Dementia	£974
65 years and over Nursing (Excl FNC)	£1179
65 years and over Nursing Dementia (Excl FNC)	£1230

For nursing homes, we are only increasing the Telford & Wrekin Council funded elements of your payments. Any increases to Funding Nursing Care (FNC) will be applied separately.

Residential and Nursing 18-64 years with Learning Disabilities, Physical Disabilities and Mental Health (Bed-Based) In and Out of Borough

Care Type	2026/27
18-64 years Residential	2.5%
18-64 years Nursing (Excl FNC)	2.5%

Supported Living and Supported Accommodation

A 2.1% uplift to those providers providing Supported Living and Supported Accommodation Care costs (excluding core costs or sleep ins).

Community Domiciliary Care (excluding reablement block)

The DPS 'Care and Support' rate will increase to £21.64.

We recognise for some young people, adults with learning disabilities/mental health their needs can be more complex therefore to support these officers will review care packages on a case-by-case basis and implement a ceiling rate of £23.68.

Direct Payments

Direct Payments rate will increase to £12.71.

Shared Lives

We will be implementing three payment bandings, which will be determined by the level of need of the person you support within your home. This new approach is designed to ensure weekly payments are more accurately reflect the complexity of support being provided.

Band 1	Band 2	Band 3
£284.51	£353.31	£433.31

Summary

These uplift rates do not apply to contracts that are defined as 'Block' contracts, or those that have a specified fee review date or, are related to hospital discharge, admission avoidance and enablement, as these will be subject to a separate negotiation process. There is no overarching uplift to day services as they are agreed on an individual basis.

There is no further action required from you as a provider. All uplifts will automatically be applied from 1st April 2026.

We have informed Shropshire, Telford & Wrekin Integrated Care Board (ICB) of our fee uplift rates so that they can consider our position when reviewing their fee rates for our jointly funded packages of care.

This letter clearly sets out the relevant information for 2026/27. If you require this letter in an alternative format or have any questions, please contact marketsustainability@telford.gov.uk.

We close with thanking you again for your commitment to continue to work with us and the people you care for during difficult and challenging times.

Yours sincerely

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