

## Annex 1: Price Review Mechanism

1. The Council will conduct an annual price review each [November] and any changes will apply with effect from 1st August in the year immediately following the financial year of the review (or such other date as may be notified by the Council if not 1st August) (“the “Review Date”).
2. The Council will use the information provided by the Service Provider in their tender submission (i.e., pricing schedule) as to the breakdown of their costs. Uplifts recommendation will be calculated as per the below measures, and assigned by percentage breakdown from the original tender submission:

Contract Costs Breakdown	Percentage uplift to be applied proportionally to Contract price
Staff (Operational Staff and Management & Administration Staff) (71%)	National Living Wage increase, so long as this update does not exceed the pay increase figure recommended by Department of Health and Social Care (DHSC).
Training Costs, Transport, Equipment & Supplies, Premises, Resident Activities and Allowances, Therapy & Physiatrist (22%)	Consumer Price Inflation including occupiers housing costs (CPIH) as per the latest ONS update on the review date
Overheads (7%)	3% uplift to be applied.

The Service Provider will be notified in writing of the outcome of the annual price review. Please note that the agreement of any uplifts is subject to the agreement of and availability of funds within the participating Council.