How to request fair fees in 2027/28

Members Guide: fee rate template letter

Association of Mental Health Providers

Why we've created a template letter for mental health charities

Mental health charities are facing ever-increasing cost pressures. For organisations delivering commissioned services, it's important that their fees match the true cost of delivering services. The Government's Autumn Budget gave mental health service providers no new support to mitigate these pressures.

Councils are setting their 2027/28 budgets now, so a clear, evidenced request sent early is your best chance of a fee rate uplift that covers your real costs.

We have created a template letter for our members providing commissioned services to send to their local commissioning teams. The template does most of the work for you: it sets out the national picture and the legal duties, so you only need to add your own figures.

What the letter asks commissioners for

1. **A fee uplift for 2027/28** that covers the rise in wages, employer National Insurance and other running costs.
2. **New rates in place by 1 April 2027**, when the higher wage rates become law.
3. **A meeting and a visit to your services**, so commissioners hear first-hand what is at risk.

Working out your costs

Base the figures on increasing workforce costs on your organisation's payroll. Check these points:

- **Staff ages.** Since April 2024 the full National Living Wage applies from age 21, not 23. For 21–22 year olds the legal minimum has risen 58% since 2021 (£8.36 to £13.21). The 18–20 rate rises to £11.27. Note anyone who turns 21 during the year.
- **Pay differentials.** Include the cost of keeping senior and specialist staff paid above the minimum.
- **Employer National Insurance.** Employers pay 15% on each employee's earnings above £5,000 a year. That threshold is frozen until 2031, so every pay rise adds NI. Take off any Employment Allowance you claim. If possible, also include figures on the increased NIC cost when the changes took place in 2025.
- **Other costs.** Pension contributions and sleep-ins rise with pay.
- **Non-pay costs.** Consider any additional rising costs your organisation is facing without support, like energy, insurance, rent, travel and training.

If possible, show the total increased cost as both a £ figure and a % of your contract value

Completing and sending the letter

1. **Download the letter template and fill in every red section**. Delete the guidance notes and any paragraphs that don't apply to you.
2. **Check your contract.** If it has a change-in-law clause, quote it word for word. If not, use the paragraph on your notice period instead.
3. **Add in service data or a case study**, such as how many people your service supports and what would happen if it closed.
4. **Send the letter as soon as you can**, ideally before Christmas, while councils are still setting budgets. Address it to your commissioner and copy in the Director of Adult Social Services.
5. **Send a follow up** if you haven't heard back within two weeks.

Tell us how it went

Please let us know if you have used the letter and what the outcome was by emailing members@amhp.org.uk. Your experiences help us build the national evidence we use to influence on behalf of the mental health charity sector.