
Report to CABINET

Future Commissioning Arrangements for Care at Home, Extra Care Support, Night Provision Support Services

Portfolio Holder: Cllr Barbara Brownridge, Lead Member for
Health and Social Care

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Management

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Reason for Decision

The Council's current contractual arrangements for the delivery of Care at Home, Extra Care and Specialist Care at Home Flexible Purchasing System commenced on 1 April 2019 and following the use of a two-year extension option, are due to expire on 31 March 2026.

Care at Home services are a critical component of the Council's statutory duties under the Care Act 2014, providing essential care and support to adults in Oldham with eligible needs. These services enable some of the borough's most vulnerable residents to live independently and safely in their own homes.

To ensure continuity of service delivery beyond March 2026 and to meet our statutory obligations, a full open tender process will be undertaken in line with the Council's Contract Procedure Rules. This will allow the Council to establish new contractual arrangements that reflect current and future service requirements, market conditions, and strategic objectives.

Recommissioning the service through a full competitive process will also support improvements in service quality and alignment with both local priorities and best practice in home care provision.

Approval is therefore sought to proceed with the procurement process for the re-tendering of Care at Home services, with the implementation of new arrangements from 1 April 2026.

Executive Summary

Care at Home (CAH) services provide essential care and support to approximately 1,190 adults across Oldham, with around 10,850 hours of care delivered each week. The annual expenditure on

CAH services is approximately £19.6million. In addition, Extra Care supports around 159 individuals weekly, delivering approximately 7866 hours weekly at an annual cost of £2.2million.

CAH services are currently delivered by 10 preferred cluster providers operating across the five geographical clusters of the borough. A further 3 back-up providers support delivery when additional capacity is required. There is currently no waiting list.

One separate provider delivers the Extra Care support across the six schemes located within the borough. Known locally as Extra Care Housing (ECH), it should be noted that this tender is for the care and support only. CAH services support the Council's commitment to a "home first" approach, helping people to live safely and independently in their own homes and reducing the need for hospital admissions or residential care placements.

In addition, night care provision is currently delivered through a legacy block contract with one of the existing commissioned framework providers. This arrangement predates the 2019 Flexible Purchasing System and remains in place as part of the Council's wider approach to ensuring overnight support for those who need it. The future commissioning of night services will need to be reviewed and incorporated into the new service model as part of the upcoming re-tender.

The current CAH contracts were awarded in April 2019 through a Flexible Purchasing System (ref: FPS DN37347) for a five-year term, with the option of two one-year extensions. These extensions have now been utilised, meaning that the contracts will expire on 31 March 2026.

This report seeks Cabinet approval to commence the re-procurement of Care at Home and Extra Care Housing support services, and night provision ensuring new contractual arrangements are in place from 1 April 2026. The proposed procurement will follow a compliant route in accordance with both the Council's Contract Procedure Rules and PA23 Regulations and will be designed to reflect current and future demand, market capacity, and best practice in domiciliary care.

These commissioning and procurement activities are critical to ensure the Council can continue to meet its statutory duties under the Care Act 2014, delivering timely, person-centred care that promotes independence and supports the wider health and social care system in Oldham.

Recommendations

Option 2 is the Preferred Option

1. Approval is requested for Oldham Council to proceed with a full procurement exercise to establish a new framework agreement for Care at Home and related services, including Care at Home, Extra Care support and night provision (Night Van). This Framework will replace the existing Flexible Purchasing System which expires on 31 March 2026.
2. Delegate the authority to approve the service specification to the Director of Adult Social Services and Community Commissioning and to award to successful providers after the tender outcome.
3. The Council acknowledges it no longer has access to using a Dynamic Purchasing System (DPS) or Flexible Purchasing System (FPS) under the current procurement regulations, as these have been replaced by Dynamic Marketplaces which do not permit below-threshold call-offs (under £663,540). On this basis, to procure under the PA23 Open or Competitive Flexible Procedure.
4. Approval is sought to allow for future changes to service providers, if required, to ensure continuity of provision. Any such changes would remain within the existing financial envelope and would solely involve provider substitution to address service delivery gaps.

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5. Approval to commence the re-tender for a new Care at Home service to start in April 2026 for a period of four years with the option to extend for one year plus one year, at a cost of approximately £19m a year.

1 Background

1.1 The Contract Extension for Care at Home, Extra Care and Specialist Care at Home Flexible Purchasing System

1.2 The Care at Home service was tendered in November 2018, with the following Lots:

- Category 1 – Adults Care at Home Provision
- Category 2 – Adults Extra Care Provision
- Category 3 – Children’s Care at Home – SEND - Ceased
- Category 4 – Specialist Care at Home - Ceased
- Category 5 - Approved Provider List

1.3 Approval was given in early 2019 to award contracts to a maximum of 10 providers following a competitive mini-competition exercise under the provision of the Oldham Care at Home, Extra Care & Specialist Care at Home Flexible Purchasing System (Ref: FPS DN373470) to deliver Adults Care at Home services within the 5 clusters (2 providers were appointed per cluster). In addition to the 2 lead preferred providers appointed to work in each of the 5 clusters of the borough, there is also a small team of 3 back up providers who deliver packages across the borough and a provider specifically to deliver Extra Care Housing (ECH) services, these services are covered under lots 1,2 and 5 of the tender.

1.4 Lot 3 and 4 of the original procurement exercise made provision for Specialist Care at Home Services, and Children’s Care at Home Services however no activity has been undertaken since the award of this contract and approval was granted by DMT in January 2024 to cease Lots 3 and Lot 4.

1.5 Contracts for delivery of the above lots commenced in April 2019 and the service duration is 5 years, with an option to extend for up to a further 2 years.

1.6 At the time of this report our monitoring data showed the following data;

Service Area	Annual Spend	People Supported	Care Hours Delivered (Weekly)
Cluster & Back-up CAH Providers	~£19 million	Approx. 1,190 individuals	Approx. 15,200 hours
Extra Care Housing (ECH)	~£2.2 million	159 individuals per week	N/A

1.7 The commissioning and market management team are in frequent dialogue with the market and meet with them regularly through the hosting of provider forums and visits. The Oldham market is generally considered to be performing well, and we do not have a waiting list. We are aware that there are times when the market is under increased pressure which can impact a provider’s ability to accept packages in a timely manner, and at these peak periods (typically over the summer holidays and winter period) the

Oldham market has shown to be more responsive and flexible than some of the experiences shared by our counterparts across GM.

- 1.8 Whilst the Oldham market does face challenges (such as the ability to recruit and retain staff, which is a frequent challenge expressed by a number of our providers), we believe the generally positive performance can be attributed to the flexibility within the cluster model and the positive working relationship we have with the market. This is further supported by Oldham Council's commitment to paying the Real Living Wage Foundation Rate (LWFR), which helps providers attract and retain a stable workforce and reinforces our shared commitment to valuing the care sector.
- 1.9 However, we are aware that there are challenges that still need to be addressed. The cluster model works on the principle that two lead preferred providers in each cluster are offered work over alternate weeks, with the assumption that the work offered to each provider will be broadly even. In reality, we do have volume of work disparities between cluster providers, in some cases these are significant. We believe this is down to a number of factors, some of our lead providers only deliver limited volume, being unable to deliver double carer packages or serve their full cluster, and in practice are delivering less volume than back up providers (there is a plan to address this via the mini competition cluster recommendations in this report). We are also aware that some providers have a greater presence within certain communities and this is reflected in the packages they deliver, taking into account a clients preference to choose a particular provider.
- 1.10 Table 1 outlines the current CQC ratings for the 10 preferred cluster and 3 back up providers delivering CAH across Oldham. If at a later date, providers are rated as Requires Improvement, they will work to a Provider Improvement Plan and have the support of a Contract and Quality Monitoring Officer. (CQMO). Those that are not yet rated are awaiting their assessment from CQC – however, nationally, there is a delay in these being carried out and this is a recognised risk nationally. The two provider listed below were already on our previous framework and have subsequently changed their provider name, which requires a new CQC rating.

Table 1 – CQC ratings of preferred cluster and back up providers

Provider Cluster	Name of Provider	CQC Rating
West	Bridging the Gap Ltd	Good
West	Fogarty Care Service Ltd (Nightingales)	Good
Central	Choices Homecare (previously Safe Hands Support)	Good
Central	Delta Care Ltd	Good
North	Apex Prime Care Ltd (previously Nobilis)	Not Rated
North	Care 4 U Home care	Good
South	D&G Care Ltd (Care Mark Oldham)	Good
South	Comfort Call Ltd	Good
East	Care-Quality-Services	Not Rated
East	Newmark Care Ltd	Good
Back Up	Ambercare (North west) Ltd	Good
Back Up	Instant Care Ltd Rochdale	Good
Back Up	Unicorn1 Care Ltd	Good

2 Current Position

- 2.1 The current Care at Home, Extra Care, and Specialist Care at Home contracts were commissioned under a Flexible Purchasing System (FPS) which commenced in April 2019 and is due to expire in March 2026, following the approval of a two-year extension. The FPS model allowed for flexibility in commissioning and managing provider arrangements, enabling the Council to respond to changing demand and provider capacity. However, due to changes in procurement regulations, this model is no longer available to the Council for future use.
- 2.2 Under new regulations, the Dynamic Purchasing System (DPS) and FPS models have been replaced with the Dynamic Marketplace, which also does not allow for below-threshold (£663,540) call-offs. Therefore, a new approach is required to recommission Care at Home and associated services in Oldham. In light of this, two potential procurement options have been identified that most closely replicate the benefits of the outgoing FPS model:
- (a) PA23 Open Framework, or
 - (b) PA23 Open or Competitive Flexible Procedure.
- 2.3 These new procurement arrangements will cover the delivery of core Care at Home services across five geographic clusters, Extra Care (ECH), and night provision (night van).
- 2.4 It is expected that the new arrangements will continue to allocate two lead providers per cluster, with additional overflow providers to ensure market resilience and service continuity. The model also allows for a back-up provider to step into the role of a lead provider if required, providing an additional layer of redundancy and safeguarding against any potential disruption in care delivery. The commissioning model will seek to address current disparities in care allocation volumes, provider capacity, and geographic coverage.
- 2.5 A multi-disciplinary steering group has been established by the commissioning team, comprising colleagues from Procurement, Legal Services, Adult Social Care Operations, and the Integrated Care Board (ICB), to support the co-production of the service specification, contract structure, and procurement documentation. Regardless of whether the PA23 Open Framework or the PA23 Open Tender (Competitive Flexible Procedure) is selected, the commissioning approach will prioritise person-centred care, legal and regulatory compliance, and long-term service resilience.
- 2.6 A market engagement event was held on 26 June 2025 to inform providers about the forthcoming procurement process and to gather valuable insight to help shape the approach. Feedback from providers indicated support for the use of the Competitive Flexible Procedure, as it offers more meaningful opportunities for service delivery compared to a framework model, which does not guarantee business and was considered to offer limited benefit. Providers also expressed agreement with the proposal to retain the current model of two preferred providers per cluster group, recognising the benefits of continuity and localised delivery. Further engagement with current service providers, stakeholders, and service users will continue throughout the process to shape the future service model and ensure it reflects local needs and expectations.

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- 2.7 The re-procurement process is scheduled to launch later in 2025, with new contracts anticipated to commence on 1st April 2026. The intention is to ensure a smooth transition of existing service users to the newly appointed providers, maintaining continuity of care following the expiry of the current Flexible Purchasing System (FPS) arrangements. Where there is a change in provider, TUPE (Transfer of Undertakings Protection of Employment) regulations should allow for the same carers to transfer, helping to ensure continuity for service users and minimise disruption. In preparation, commissioning officers will develop all required procurement documentation—including service specifications, evaluation methodology, and award criteria—with appropriate oversight and input from Legal Services and Procurement to ensure compliance and robustness throughout the process.

3 Options/Alternatives

- 3.1 **Option 1: Allow the existing Care at Home contract to cease on 31st March 2026 and continue with current providers delivering Care at Home and related services through ad hoc commissioning without retendering or establishing a new contractual agreement.**
- 3.2 Contracts under the existing Flexible Purchasing System (FPS) expires in March 2026. Continuing without formal commissioning arrangements breaches the Council's Contract Procedure Rules and procurement legislation. This would also leave the organisation open to legal challenge, with the risk of financial and reputational impacts.
- 3.3 Failing to re-procure prevents the Council from testing the market for innovation, quality, and value for money. Purchase order terms do not provide robust contractual protections or reflect the evolving complexity of care provision. Providers may lack confidence in future commissioning plans, affecting workforce retention and continuity of care.
- 3.4 **Option 2: Proceed with a full procurement exercise for the delivery of Care at Home and associated services in Oldham via an Open Tender process using the Open or Competitive Flexible Procedure model. This will replace the current Flexible Purchasing System (FPS), which expires on 31 March 2026. And Delegate authority to the Director of Adult Social Services and Community Commissioning to award the final contracts following the completion of the procurement process. (Preferred option)**
- 3.5 The scope of the new agreement will include:
- Care at Home (domiciliary care)
 - Extra Care Support
 - Night Provision
- 3.6 As the current services are functioning well, only minor amendments will be made to the specification to address challenges experienced under the previous contract and to ensure the new model remains responsive, effective, and fit for purpose.
- 3.7 Due to the replacement of previous mechanisms (DPS/FPS) by the Procurement Act 2023, which introduces Dynamic Marketplaces that do not allow below-threshold (£663,540) call-offs, the following compliant procurement option is proposed:
- (b) PA23 Open Tender using the Open or Competitive Flexible Procedure – this allows us to maintain the current preferred provider model, which works well, and reduces the

increase in providers on an open framework where they are not guaranteed hours of work. Should we need to, the back up provider list can be used to achieve additional capacity.

- 3.8 The proposed approach provides a compliant, transparent, and flexible commissioning model that supports long-term market stability and workforce planning. It enables the proactive allocation of care based on assessed user needs, incorporates scope for innovation and the development of specialist provision, and aligns with regional best practice and the new requirements introduced.

3.9 **Option 3: Allow the existing Care at Home contract to expire on 31 March 2026 without replacement.**

- 3.10 Under this option, no new procurement exercise would be undertaken, and the current contract arrangements would cease upon expiry. This would result in the Council being unable to meet its statutory duties under the Care Act 2014 to provide domiciliary care and support to eligible residents.

- 3.11 This option is not recommended due to the significant risk of service disruption and legal non-compliance.

4 Preferred Option

- 4.1 **Option 2 – Proceed with a full procurement exercise to establish a new Agreement for the delivery of Care at Home and associated services in Oldham. This will replace the current Flexible Purchasing System (FPS), which expires on 31 March 2026.**

- 4.2 This option aligns with statutory obligations, procurement regulations, and best practices for service delivery. This approach provides the most flexible, compliant, and transparent solution for securing high-quality services for Oldham's most vulnerable residents.

5 Consultation

- 5.1 A consultation plan is in development to inform the future design and delivery of Care at Home and related support services in Oldham. The consultation will ensure that future service delivery continues to reflect the principles of the Care Act 2014, and supports individuals to:

- Remain independent in their own homes.
- Receive personalised, person-centred support.
- Exercise choice and control over the care they receive.
- Experience care that promotes dignity, safety, and wellbeing.

Stakeholder engagement will include:

- Existing Care at Home service users, their families, and carers.
- Providers currently delivering Care at Home and related services across Oldham.

This consultation will be carried out ahead of contract award to ensure that the final service model and specification reflect the needs, preferences, and lived experience of service users, as well as the insights and capacity of the market.

- 5.2 The consultation process will be shaped by co-production principles, with structured engagement designed to identify service strengths, address areas for improvement, and

incorporate service user voice in shaping the new model. Feedback will be used to support inclusive and high-quality service delivery across Oldham.

- 5.3 A market engagement event with existing and potential providers has taken place on 26th June 2025. This session has marked the beginning of formal provider engagement to shape the forthcoming procurement exercise. Further engagement will follow throughout the procurement process, supported by a communications plan to ensure regular updates and opportunities for input from all stakeholders.

6 Financial Implications

- 6.1 This report seeks approval to initiate a full procurement exercise for the delivery of Care at Home services and Extra Care Housing provision. The forecast expenditure for Care at Home in 2025/26 financial year is £19.6m and for the Extra Care Housing Contract is £2.2m (£0.5m core contract & £1.7m Care Act eligible hours).

- 6.2 Both contracts will be subject to annual inflationary uplifts. However, these uplifts will be determined by the outcome of the Council's annual care market fee report, rather than through bids submitted by prospective providers.

While the financial value of these contracts is significant, no additional costs are anticipated as a result of the re-tendering process. Therefore, there are no expected detrimental financial implications.

- 6.3 The Finance team, as members of the Care at Home Steering Group, will be actively consulted throughout the process to ensure financial oversight and alignment.

Danny Jackson - Finance Manager

7 Legal Implications

- 7.1 The recommendation from the Report is to proceed with Option 2, which proposes the re-procurement of Care at Home and related services via a full, competitive process in line with current procurement legislation.

- 7.2 The report author has put forward their rationale for this approach, particularly in the context of the transition from the Public Contracts Regulations 2015 (PCR15) to the Procurement Act 2023 (PA23). It is evident that the previous commissioning tools, such as the Dynamic Purchasing System (DPS) and Flexible Purchasing System (FPS), are no longer legally valid routes under the new regime. This regulatory shift means that the Council must now use alternative, compliant procurement methods ahead of the current contract's expiry in March 2026.

- 7.3 Procurement colleagues have explored and discounted several alternative options:
- A Dynamic Marketplace was ruled out due to regulatory constraints on call-off thresholds, making it unsuitable for the flexible, below-threshold allocations required for domiciliary care.
 - An Open Framework was also considered, but rejected based on provider feedback during market engagement, where concerns were raised about being included on a framework but receiving no work due to the absence of a waiting list or planned call-offs.
 - Extending the current DPS was not viable due to the deterioration of its structure and the lapse of contracts for non-preferred providers, which would lead to similar operational risks as an open framework model.

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- 7.4 Following analysis by the client department in conjunction with procurement, the decision was to pursue an Open Process, structured as a 4-year contract with two 1-year extensions (4+1+1), this compliant with the Council's Contract Procedure Rules (CPRs) and the requirements under PA23.
- 7.5 Legal Services supports the recommendations under Option 2 based on the comments in the Report and from procurement colleagues.

Sukie Kaur – Solicitor

8 Procurement Implications

- 8.1 Due to a change in regulations (PCR15 to PA23) we are no longer able to consider a DPS/FPS as a route to market. Whilst this is being looked at by government, it will take time to change, and our contract will have expired by then. The current alternatives were considered:
- Dynamic Market Place: Not considered suitable as all call-offs have to be over the threshold (£663,540 for LTR).
 - Open Framework: Considered to be the closest we could replicate the old FPS/DPS with. Considered, however following feedback from providers during market engagement, they were unhappy at being sat on a framework not being used (as we have no waiting list). They would rather have a contract award to the winning bidders and not be sat on a framework with no work from it.
 - Extension of current DPS was discussed but rejected on the basis of the current state of the DPS, with contracts having lapsed for non-preferred providers after the initial term due to lack of opportunities. It would also result in a similar setup to the Open Framework option which was rejected.
 - Open Process: Following discussion, it was determined this would offer the best option for the route to market, supported by providers. It allows the allocation of the providers to the relevant geographies and lots, and a process to manage provider failure of one of the providers, removing the need for a framework to maintain the capacity.
- 8.2 It has been decided to go for a 4+1+1 contract using an open process. This is compliant with the requirements of the CPRs.

James England – Procurement Manager

9 Human Resources implications

- 9.1 Transfer of Undertakings (Protection of Employment) (TUPE)

10 Equality Impact, including implications for Children and Young People

- 10.1 Yes

11 Key Decision

- 11.1 Yes

12 Key Decision Reference

- 12.1 HSC-13-25

13 Background Papers

13.1	N/A
14	Appendices
14.1	None