

## **Report to CABINET**

### **Temporary Accommodation Procurement Exercises – Nightly-Paid and Emergency Accommodation**

**Portfolio Holder:** Cllr. Arooj Shah, Leader of the Council and Cabinet Member for Growth

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**20<sup>th</sup> October 2025**

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#### **Reason for Decision**

The Council has a statutory duty to house homeless households under the Housing Act 1996, as amended by the Homelessness Reduction Act 2017. Where prevention is not possible, and permanent housing cannot be found in sufficient time, the Council is obliged to provide temporary accommodation, until households can be accommodated permanently.

Current arrangements in relation to key elements of temporary accommodation provision in Oldham expire in the coming year, and require re-procuring, to ensure we have adequate access to accommodation for homeless households.

#### **Recommendations**

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- (1) That a robust, transparent procurement and commissioning process is undertaken to procure the following:
    - a. A new framework for nightly-paid temporary accommodation
    - b. The provision of short-term emergency provision for temporary accommodation, via a dynamic market notice
  - (2) That framework and contract-award decision making responsibilities are delegated to the Deputy Chief Executive (Place)

## Temporary Accommodation Procurement Exercises – Nightly-Paid and Emergency Accommodation

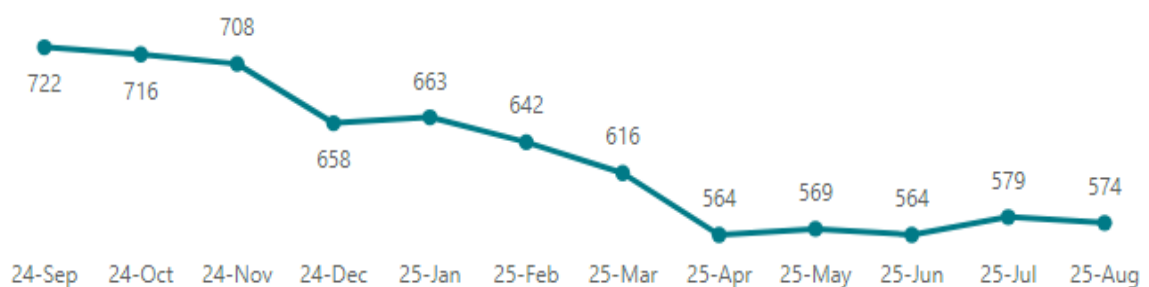
### 1 Background

- 1.1 As with other authorities across the country, Oldham faces a significant and ongoing challenge around homelessness, with a subsequent need to ensure sufficient access to temporary accommodation (TA), in order to ensure we are able to meet our statutory duties (predominantly under the Housing Act 1996, as amended by the Homelessness Reduction Act 2017), and ensure that we are able to provide suitable accommodation to households who become homeless.
- 1.2 In order to meet this need, while maintaining flexibility of provision over time, a number of different forms of TA are made use of. This includes nightly-paid accommodation, short-term emergency accommodation, and properties leased either from the private sector or social landlords.
- 1.3 In many cases, households are first housed in short-term emergency accommodation (often hotels), until more suitable TA can be offered, either in leased or nightly-paid accommodation.
- 1.4 The current framework for nightly-paid TA was procured under arrangements now coming to an end, and requires re-procuring, to ensure that we have access to sufficient accommodation for the coming years.
- 1.5 Short-term emergency accommodation was previously used on a spot-purchase basis, as it was less common. However, rising demand over recent years has meant that it has become a more regular solution, and a procurement exercise is now required, to ensure that the Council remains compliant.

### 2 Current Position

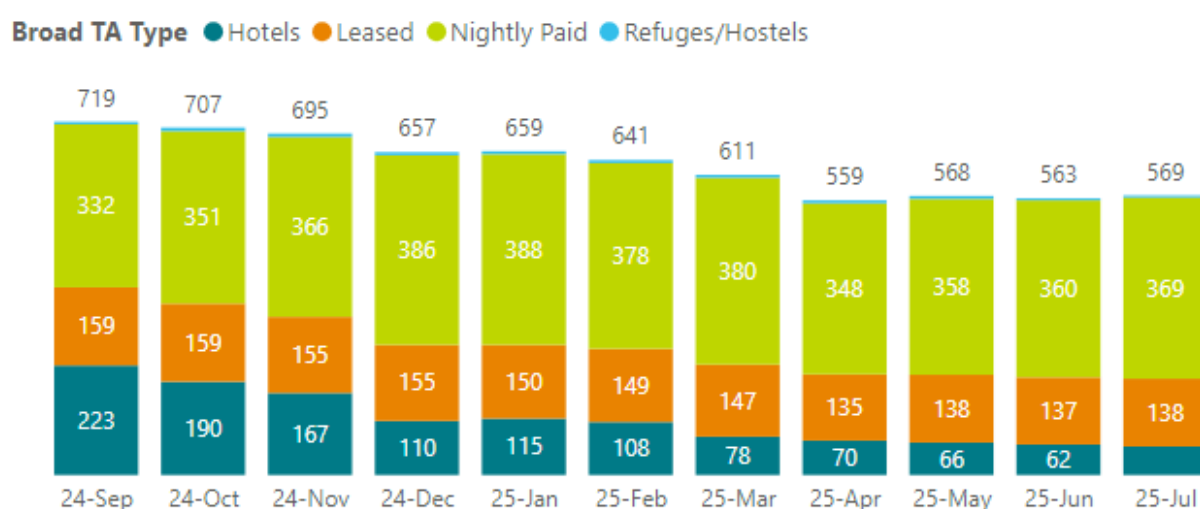
- 2.1 At the end of August 2025, there were 574 households in TA in Oldham. This has fallen from a peak of 722 in September 2024, but remains at a high level historically.

Households in all TA



- 2.2 Work continues by the Housing Options Service to reduce the numbers of households in TA. This work aims to focus more resource into prevention, to help people stay in their current accommodation, or identify alternative accommodation, before being made homeless.
- 2.3 Initial work has allowed us to significantly reduce the use of short-term emergency accommodation, bringing down the number of hotel placements, as shown below (note that there is a slight discrepancy in numbers compared to the graph at 2.1, as a small number of placements are closed retrospectively)

Type of accommodation used for TA, Last day of each Month



- 2.4 At the same time, the TA Mitigations workstream is looking at how we can bring onboard better quality, and lower cost TA, through a number of routes, such as the proposed redevelopment of Met Place, exploring more leasing of properties, and working with social housing providers to bring in more stock.
- 2.5 Even with this work, there will be a need to continue to make use of current models of TA provision for the foreseeable future, while we look to both bring down the numbers of people needing TA and also switch to more sustainable approaches. What follows gives an overview of two key procurement exercises that will be needed in the near future, in order to ensure we have access to appropriate provision.

### 3 Proposed Procurement Exercises

#### 3.1 Nightly-paid Accommodation

Nightly paid accommodation currently forms a core part of the Council's TA provision. As the term suggests, placements into this type of accommodation are

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done on a nightly basis, allowing flexibility of use, as we are not obliged to keep a household in this accommodation for any specified period of time. Likewise, the Council is not tied to any minimum usage of this type of accommodation, allowing access to sufficient accommodation as demand rises or falls.

While this type of provision allows flexibility in meeting our obligations, it is a more costly option than using longer-term arrangements, such as leasing. In 2024/25, the Council spent around £5.8million on nightly-paid accommodation use (NB – it should be noted that the Council is able to reclaim Housing Benefit, which offsets a proportion of these costs).

In addition, the mix of provision in the nightly-paid market means that the accommodation provided can differ from one location to another. However, a large proportion of this accommodation is within houses of multiple occupation (HMO's), meaning that much of it involves the use of shared facilities.

The Council has a number of providers on a framework for nightly-paid accommodation. This framework expires in March 2026, so a procurement exercise is proposed, to ensure that we can continue accessing this type of provision for the future.

While this type of accommodation will continue to play an important part in ensuring that we are able to provide somewhere for homeless people to live, we have a clear aim to reduce our reliance on nightly-paid provision, both by continuing to reduce the number of households in TA, and also by exploring other types of accommodation.

### **3.2 Short-term Emergency Accommodation**

The use of short-term accommodation for homeless households in Oldham has grown significantly in recent years. This type of accommodation allows for quick access to somewhere for households to stay until we can source more appropriate, longer-term TA, or permanent housing. As such, it is often the first place that a household is placed after their homelessness assessment. In many cases, this accommodation is provided by hotels which OBC have been using the current contract with our preferred travel provider, which is non-compliant, hence the need to tender specifically for these needs.

As with nightly-paid, use of this form of accommodation is expensive, with the Council spending in the region of £4.7million in 2024/25. Likewise, whilst we have reduced our reliance on emergency in recent months, meaning projected spend for 2025/26 is significantly less, it is another form of accommodation which will remain an important option for the foreseeable future. A procurement exercise for this accommodation is also needed, in order to be compliant going forward.

### **3.3 Procurement exercise summary**

The exercises set out above are summarised in the following table. **NB** – costs for these procurements will be based on projected 2025/26 spend, where available, to provide an expected cost envelope for these exercises. However, these are call-off contracts, with no minimum spend required. Ongoing work will continue, in order to

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reduce numbers of households in temporary accommodation, and to bring online alternative forms of accommodation, with a view to reducing overall spend.

Item	Projected potential cost	Notes
Nightly-paid accommodation (3.1)	£6.6million x 5 years (3+ option for 2-year extension) = total of up to £33million over five years, plus provision for inflation	Current arrangements expire March 2026. Requires procurement exercise to ensure continuity of service.
Short-term emergency accommodation (3.2)	£2.5million x 5 years (3+ option for 2-year extension) = total of up to £12.5million over five years, plus provision for inflation	Previously obtained on a spot-purchase basis. Requires procurement exercise to ensure compliant, given subsequent increase in use and spend.  Projected to be lower costs going forward, do to work to bring down numbers in this form of accommodation.

## 4 Options/Alternatives

### 4.1 Option one:

That a robust, transparent procurement and commissioning process is undertaken to procure the following:

- a. A new framework for nightly-paid temporary accommodation
- b. The provision of short-term emergency provision for temporary accommodation, via a dynamic market notice

That framework and contract-award decision making responsibilities are delegated to the Deputy Chief Executive (Place), ensuring that the exercise and contract award are carried out in a timely fashion, in order to ensure that we have sufficient provision in place to meet our obligations around homelessness.

### 4.2 Option two:

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That some or all of the above procurement exercises are not agreed. This would mean that the Council would have less access to appropriate short-term and temporary accommodation and may struggle to meet our statutory obligations.

## **5 Preferred Option**

- 5.1 Option one is the preferred option, as it will ensure we have access to appropriate provision, in order to meet our statutory obligations.

## **6 Consultation**

- 6.1 Consultation carried out with portfolio holder

## **7 Financial Implications**

### **7.1 Nightly Paid Temporary Accommodation**

Through this report, the Council is hoping to formalise the procurement of nightly paid temporary accommodation. Current financial estimates for the use of nightly paid temporary accommodation in 2025/26 is £6.6m. As outlined above this equates to £33m over a 5-year period.

It should be noted that the £33m amount is the value of a 5-year call-off order and serves as the maximum spend allowable under this arrangement and is not a financial commitment to the Council.

### **Short Term Emergency Accommodation**

Through this report, the Council is hoping to formalise the procurement of short-term emergency accommodation. Current financial estimates for the use of short-term emergency accommodation in 2025/26 is £1.9m. Given the nature of this emergency provision, it is advised to build in an amount of flex within the procurement arrangements. For this reason, the report has assumed an amount of £2.5m potential short-term emergency accommodation spend per year. This equates to £12.5m over a 5-year period.

It should be noted again that the £12.5m amount is the value of a 5-year call-off order and serves as the maximum spend allowable under this arrangement and is not a financial commitment to the Council. (John Hoskins)

## **8 Legal Implications**

- 8.1 Legal fully supports procurements statements below. This is a procurement under a closed framework in accordance with PCR 2015 on a standard framework basis.  
**(Michael Grocott)**

## **9. Procurement Implications**

### **9.1 Nightly Paid Accommodation**

The recommendation for this procurement is that we tender for a new Framework to ensure compliance with the Procurement Act 2023. The existing Framework does not

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allow us to make significant changes, such as an extension. However, it is not understood that an extension is to be requested as the current framework, it is felt, is not fully fit for purpose. The previous procurement for the current framework resulted in gaps in provision such as repairs and maintenance (no responses were received for this lot), it was also a closed framework which was the only form of framework permitted under PCR2015, and these do not allow for the addition at any point of any new suppliers. In addition, current providers have been requesting uplifts to pricing of up to 10% and this is considered a material change / significant. To give consideration to any provider that originally tendered but was not successful we are required to re-tender this Framework Agreement.

## 9.2 Short Term Emergency Accommodation

Previously obtained on a spot-purchase basis and currently non-compliant using Click Travel without a formal contract and via a framework where this is not within the remit of the framework. This is recognised by the framework owner who are seeking to modify the framework to accommodate this change. However, it is CPU's view that there is no legal way to act on such a significant modification due to the excessive value which would exceed the originally published contract value. As such, this requires a procurement exercise to ensure compliance given the subsequent increase in use and spend. The process identified is a Dynamic Market which is a new process under PA23, and there is no limit to the number of applicants that can be admitted. It should be noted that under a Dynamic Market, further competitions would be required to award work while the Dynamic Market is live, and these further competitions can only be run if over the thresholds are per PA23. This may require consideration for any below threshold requirements and the resource required when running further competitions. The council will set conditions for membership, this mechanism will allow for repeat procurements unlike a Framework Agreement, it will be open for applications throughout its term.

All of the above is subject to further consideration and a supporting Procurement Strategy to ensure that the long-term solutions completely fulfill the Councils requirements and any potential gaps in service are supported by a pre-planned approach. It is therefore strongly recommended that a risk assessment is undertaken as part of the Procurement Strategies for both requirements.

Oldham is acting independently due to the time constraints and urgency to provide these services. Further work needs to be undertaken to map out the procurement strategy to determine the type of framework that is required. This may include a framework, an open framework or a dynamic market. There are no TUPE issues. Previous Tender ref: DN631481. **(Angela Porter)**

## 9 Equality Impact, including implications for Children and Young People



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y\_Accommodation\_P

9.1 Yes

## 10 Key Decision

10.1 Yes

## 11 Key Decision Reference

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11.1 HL-04-25 - Temporary Accommodation Procurement Exercises – Nightly-Paid and  
Emergency Accommodation

12 **Background Papers**

12.1 None

13 **Appendices**

13.1 None