

Report to CABINET

Procurement of a Crisis Payment Provider

Portfolio Holder:

Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services and Sustainability

Officer Contact:

Fiona Greenway, Executive Director of Resources

Report Author:

Fran Lautman, Assistant Director of Customer Experience

23 March 2026

Reason for Decision

To approve the procurement of a crisis payment provider to be funded by the Crisis and Resilience Grant Funding commencing 1 April 2026.

Executive Summary

Cabinet is asked to consider and agree to procure a comprehensive crisis payment provider for a 3-year period, with option to extend for a further 3-year period subject to funding being available.

As part of the scheme guidance for the Crisis and Resilience Fund, we are required to assess and administer crisis payments. This umbrella payment approach will enable the Local Welfare Provision and Crisis Payments Team to quickly support residents experiencing financial crisis. It will ensure we have access to a range of payment options including energy vouchers, supermarket vouchers, goods in kind and other types of payments so that we can support residents experiencing different types of crisis. The funding will be provided by the Department of Work and Pensions via the Crisis and Resilience Grant Funding commencing 1 April 2026.

Recommendations

Cabinet is asked to consider and agree:

- a) The procurement of a crisis payment provider for a period of 3 years with option to extend for a further 3-year period subject to available funding.
- b) To continue with the current approach of utilising a provider called HUGGG to issue crisis payments for up to 3 months to allow for the procurement process to take place.
- c) To delegate authority to the Executive Director of Resources in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate Services and Sustainability to award the contract following the completion of the procurement process.
- d) To delegate authority to the Executive Director of Resources, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate Services and Sustainability, to approve any extensions to the contract as provided for within the original contract terms and where there is budget available.

NOT FOR PUBLICATION by virtue of Paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and it is not in the public interest to disclose the information because of the commercially sensitive information enclosed within the report.

Procurement of Financial Inclusion Service

23 March 2026

1 Background

1.1 Oldham Council currently provides and grant funds several forms of crisis payments to support residents experiencing financial crisis. Moving forwards and supported by the Crisis and Resilience Fund (CRF) provided by the Department of Work and Pensions (DWP) from 1 April 2026, we will improve and consolidate the offer to residents, making it easier to access timely and resident-focused crisis support.

Local Welfare Provision (LWP)

1.2 We currently have a (LWP) scheme. In 2025-26, it has been funded by the seventh and final round of the Household Support Fund (HSF) with a total of £180,000 available. The purpose of the scheme is to meet short-term emergency or immediate support needs and/or to support a household to establish or maintain a home in the community. The support required is assessed via an online application with evidence required to ensure that awards are provided to residents most in need. The support available includes essential domestic appliances and beds. The examples of circumstances that may be considered for support via LWP include:

- Care Leavers under the age of 25
- People who have suffered a disaster/crisis such as fire or flood
- Families under exceptional financial pressure
- Vulnerable people
- People fleeing domestic violence
- People moving out of institutional or residential care
- People moving from supported accommodation to independent living
- People who are leaving prison or detention centres
- People who are chronically or terminally ill
- People with alcohol or drug issues who are receiving addiction support

1.3 A contract is in place for the LWP service to issue wide goods and beds via a provider called FRC. The contract covers Bulky Waste Collections and LWP and expires on 31 March 2026. A short extension will be in place to ensure continuity of the LWP service until a new provider can be established. Waste colleagues are planning for the changes to Bulky collections and this is out of scope for this procurement.

Supermarket vouchers – HUGGG

1.4 As part of the Council's crisis offer, we distribute HUGGG vouchers funded by HSF. HUGGG vouchers are supermarket vouchers to support households to access food and essential items including toiletries and baby products. Several teams issue HUGGG

vouchers including Customer Services, Housing Options, Childrens Social Care, Specialist Independent Domestic Violence Service (IDVA) and Adult Referral Contact Centre (ARCC). The vouchers are provided by the issuing teams as they identify residents experiencing financial crisis and are not subject to a detailed financial assessment on the basis of providing timely crisis support.

- 1.5 Due to the constraints of HSF whereby there was a lack of certainty regarding the duration of funding, a procurement exercise was not conducted for issuing supermarket vouchers. Moving forwards, we are in a position where a procurement exercise can take place due to 3 years of funding from CRF.

Energy Vouchers

- 1.6 The Council currently provides energy support to residents through the Warm Homes Team. The service supports households on low incomes and those in receipt of benefits who are experiencing financial hardship and are unable to afford essential energy costs. Residents can contact the Warm Homes Team directly, who will assess their situation and determine the most appropriate support.
- 1.7 This support is currently funded through HSF. The service currently uses the e-Vouchers platform to issue energy vouchers. Moving forward, this provision will be incorporated into the Council's wider crisis payments offer funded through CRF.

Cash payments

- 1.8 In previous HSF schemes, we have provided cash payments to particular cohorts of residents. This has been done via pay points whereby a resident has been sent a payment link and has presented this at a pay point to then be issued cash from the till. Significant issues were experienced with issuing cash in this way with several residents reporting needing to travel to several sites to access cash due to the amount of cash available in tills.
- 1.9 In 2024/25, this approach was delivered using the Councils existing voucher provider, with 13,943 cash vouchers issued at £60 each. Vouchers were generated through the provider platform and issued to residents either by email (if possible) or by post incurring print and postage costs.

2 Current Position

- 2.1 Moving forwards, we are keen to utilise a cost-effective, swift and safe mechanism to directly distribute crisis support via a range of methods depending on the nature of the crisis being experienced including goods in kind, supermarket vouchers, energy payments and cash payments where this is appropriate to residents. This will also ensure we are compliant in our approach and identify the best value in our delivery
- 2.2 A contract and service specification will be developed subject to endorsement of this approach as set out in this paper. A transition period will be in place from April to June 2026 with the new offer implemented from July 2026 up to 31 March 2029. HUGGG vouchers will continue to be utilised in the short-term (up to 3 months) while the procurement process takes place. This will ensure continuity of services to residents during the transition period.

3 Options/Alternatives

- 3.1 **Option 1** – Do not procure a crisis payment provider

Pros – There will not be a cost to the Council for this option

Cons – Due to the commitment of 3 years of grant funding, not undertaking a procurement exercise would mean we are not compliant with procurement regulations. It would also mean we may be limited to cash payments through our internal teams where there is insufficient capacity to deliver at this scale and with BACS payments being made a small number of times a week limiting our ability to provide timely crisis payments.

3.2 **Option 2 – Procure a crisis payment provider**

Pros – An umbrella provider who following our assessment of their circumstances we can utilise to issue a breadth of payment types depending on their circumstances. This includes supermarket vouchers to access food and essentials, energy vouchers, goods in kind and cash payments via Open Banking where appropriate. This breadth of approach will be resident focused depending on needs and will be more cost efficient with vouchers incurring less administration costs than cash payments.

Cons – This option will create a cost of up to £1,115,000 per year and up to £3,345,000 over 3 years. However, this will be grant funded therefore not utilising existing revenue budgets. Additionally, we are required in the CRF scheme guidance to fund a crisis payment scheme.

4 **Preferred Option**

4.1 Option 2 is the preferred option due to the range of payments available and that vouchers incur less administration costs than cash payments.

5 **Consultation**

5.1 Sessions with staff, partners and residents have been delivered by Oldham Positive Action Network (OPAN) in reviewing the current financial support offer and to the opportunities for improvement moving forwards. A clear recommendation was to consolidate financial support into a single crisis payment scheme – this has been taken forward into this approach.

5.2 Engagement with elected members has taken place through a Financial Inclusion Task and Finish Group whereby Elected Members have shared their suggestions and ideas as to how we quickly assess and provide crisis payments to residents. Elected Members' preference was for a range of payment options to be available depending on a residents circumstances to enable a resident focused approach.

6 **Financial Implications**

6.1 The proposal seeks approval to procure a crisis payment provider for a three-year period, with the option to extend for a further three years, fully funded through the Crisis and Resilience Fund (CRF) provided by the Department for Work and Pensions (DWP).

6.2 The estimated maximum cost of the arrangement is £1,115,000 per annum, equating to £3,345,000 over the initial three-year term. This represents the full cost envelope of the umbrella crisis payment service, including supermarket vouchers, energy vouchers, goods in kind, and cash payments delivered through an external provider.

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- 6.3 As the service is wholly funded by CRF grant allocations, no additional pressure is placed on the Council's existing revenue budgets. The approach ensures the Council remains compliant with procurement and grant-funding requirements, as the CRF scheme guidance mandates the provision of a crisis payment scheme. Failure to procure would risk non-compliance and may limit the Council's ability to distribute support effectively. A short transition period from April to June 2026 is planned, during which HUGGG vouchers will continue to be used to ensure service continuity. This transitional cost will also be met from within the CRF funding allocation and does not create additional financial risk.
- 6.4 No other material financial risks are identified at this stage. The contract will only be extended beyond the initial term where sufficient CRF grant funding is confirmed and available. Accordingly, the financial exposure to the Council remains limited to the grant funding received from the DWP
- 6.5 The report also seeks approval for the proposed governance arrangements outlined in recommendations C and D.

(Matthew Kearns, Finance Manager)

7 Legal Implications

- 7.1 The proposal to apply Crisis and Resilience Grant Funding to the proposed procurement is consistent with the terms of the grant award agreement. I agree that the proposal is compliant with the council's constitution, and that the current contract should be extended 3 months which may be done under the Procurement Regulations. I endorse the plan described by Procurement in their comments below.

(Bryan Boese. Solicitor)

8 Procurement Implications

- 8.1 Procurements understanding is that Market testing is currently being carried out, following that a decision will be made as to whether we use the Open Procedure to go to market OR if there are limited providers a Closed tender process. A full specification has not yet been received and currently following discussions with the stakeholder group they are compiling all the required information for the tender documentation. Happy to proceed with either the Open or Closed Tender process.
- 8.2 An extension of the current contract with HUGGG (to issue crisis payments for up to 3 months) to allow for the procurement process to take place is required.

(Angela Porter, Senior Category Manager - Commercial and Environment)

9 HR Implications

- 9.1 There are no direct workforce implications arising from the procurement of an external crisis payment provider. 1.55 additional FTE will be in place in the team for assessing crisis payment applications. This specific proposal does not involve changes to current staffing levels, role profiles, or terms and conditions - employees within Customer Services, Local Welfare Provision and Crisis Payment Team will continue to undertake assessment and decision-making responsibilities, with the external provider supporting the processing and fulfilment of a range of crisis payments.

9.2 There are no anticipated risks to job security or any requirement for formal consultation under organisational change policies. Any minor process changes or training needs can be managed within current resources. HR therefore supports the recommendation outlined in this report.

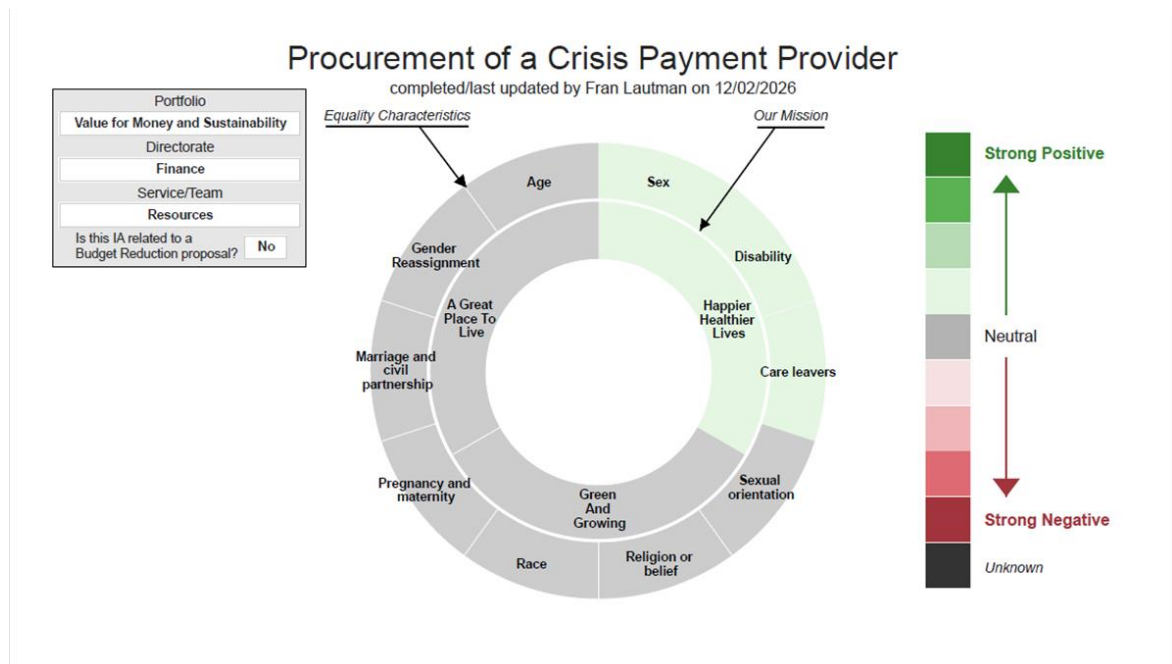
(Jingwen Yang, Workforce Business Partner)

10 Equality Impact

10.1 This scheme is designed to provide short-term emergency or immediate support to households most in need, helping them to establish or maintain a safe and stable home within the community. It will particularly benefit vulnerable residents to be defined in the schemes policy but will include care leavers under 25, people who are chronically or terminally ill, individuals moving out of institutional or residential care, those transitioning from supported accommodation to independent living, and people fleeing domestic violence.

10.2 By targeting support at those facing significant disadvantage or crisis, the scheme helps to reduce inequality and prevent homelessness, while advancing the Healthier, Happier Lives priority by enabling more Oldham residents to remain in their own homes and neighbourhoods, and supporting children and young people to grow up in stable, secure environments where they can reach their full potential.

10.3 The Equality Impact Assessment has been completed and is included below:



Equality Characteristics

Category	Impact	Likely	Duration	Impact Score	Comment
Age	Neutral	Very Likely	Long Term	0	
Gender	Neutral	Very Likely	Long Term	0	
Reassignment Marriage and civil partnership	Neutral	Very Likely	Long Term	0	
Pregnancy and maternity	Neutral	Very Likely	Long Term	0	
Race	Neutral	Very Likely	Long Term	0	
Religion or belief	Neutral	Very Likely	Long Term	0	
Sexual orientation	Neutral	Very Likely	Long Term	0	
Care leavers	Moderate Positive	Possible	Short Term	1	The purpose of this scheme is to meet short-term emergency or immediate support needs to support a household or establish/maintain a home in the community to residents who are most in need. This could include care leavers under the age of 25.
Disability	Moderate Positive	Possible	Short Term	1	The purpose of this scheme is to meet short-term emergency or immediate support needs to support a household or establish/maintain a home in the community to residents who are most in need. This could include vulnerable people, those who are chronically or terminally ill people moving out of institutional or residential care and people moving from supported accommodation to independent living.
Sex	Moderate Positive	Possible	Short Term	1	The purpose of this scheme is to meet short-term emergency or immediate support needs to support a household or establish/maintain a home in the community to residents who are most in need. This could include vulnerable people and people fleeing domestic violence.

Our Mission / Corporate Priorities

Category	Impact	Likely	Duration	Impact Score	Comment
A Great Place To Live	Neutral	Very Likely	Long Term	0	
Green And Growing	Neutral	Very Likely	Long Term	0	
Happier Healthier Lives	Moderate Positive	Possible	Short Term	1	This scheme will support the priority under the Healthier, Happier Lives priority to care for more Oldhamers in their homes and in their local neighbourhood where they need it, and support children and young people to have a stable and safe home life where they can reach their full potential.

(James Mulvaney, Policy Manager)

11 Key Decision

11.1 Yes

12 Key Decision Reference

12.1 FCR-07-26