

PART A - Report to CABINET 12th October 2026

Extend the contract term for delivery of Accommodation Based Services for 12 months until 31st March 2028

Portfolio Holder:
TBC

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Reason for Decision

To approve the modification and extension of three Accommodation Based Service contracts for a further 12 months from 1 April 2027 to 31 March 2028, in accordance with Regulation 72 of the Public Contracts Regulations 2015, pending implementation of the new national supported housing regulatory framework, completion of the Council's Supported Housing Needs Assessment, and publication of a new Supported Housing Strategy for Oldham.

Recommendations

Cabinet is requested to:

1. Approve the modification and extension of the following Accommodation Based Service contracts for a period of 12 months from 1 April 2027 to 31 March 2028:
 - Lot 1 – Generic Service – Regenda Limited (delivered by Petrus)
 - Lot 2 – Young People's Service – Depaul UK
 - Lot 3 – Women's Service – Regenda Limited (delivered by Safenet)
2. Approve the use of Regulation 72(1)(b) of the Public Contracts Regulations 2015 to enable the contract modifications.
3. Delegate authority to the Deputy Chief Executive (Place), following consultation with Legal and Procurement Services, to finalise and execute all necessary contractual documentation, including agreement of any inflationary uplift required to

support service delivery during 2027/28.

4. Note that the Council intends to undertake a future commissioning exercise following completion of the Supported Housing Needs Assessment, publication of a Supported Housing Strategy and confirmation of the national supported housing regulatory framework.

Extend the contract term for delivery of Accommodation Based Services for 12 months until 31st March 2028

1 Background

- 1.1 Oldham Council currently commissions three Accommodation Based Services which provide short-term supported housing to vulnerable residents who are homeless or have experienced housing-related crisis:

Lot	Service	Provider
Lot 1	Generic Service	Regenda Ltd (delivered by Petrus)
Lot 2	Young People's Service	Depaul UK
Lot 3	Women's Service	Regenda Ltd (delivered by Safenet)
		Total

These services provide accommodation and intensive support to individuals experiencing homelessness or housing crisis, including due to domestic abuse, poor mental health, substance misuse and other challenges. Their primary purpose is to stabilise individuals, improve independence and facilitate planned moves into settled housing.

The contracts originally sat with Adult Social Care, but now sit within Housing, and form a key component of the Council's homelessness prevention and temporary accommodation provision.

2 Current Position

2.1 Supported Housing Regulatory changes

The supported housing sector is currently undergoing the most significant regulatory reform in a generation following the introduction of the Supported Housing (Regulatory Oversight) Act 2023. The Act was introduced in response to concerns regarding poor-quality exempt accommodation and aims to establish a consistent national framework for supported housing provision.

The Government has now confirmed its intention to introduce:

- National Supported Housing Standards
- A licensing regime for supported housing providers
- New local authority duties to assess need and develop Supported Housing Strategies
- New oversight and enforcement arrangements
- Proposed links between Housing Benefit eligibility and compliance with the new standards and licensing requirements

Guidance issued to local authorities requires councils to undertake supported housing needs assessments and publish a Local Supported Housing Strategy by 31 March 2027, and the Council is currently taking this work forward. Whilst Government has published its consultation response, key information is still unclear. Current sector guidance indicates

that the licensing regime and wider regulatory requirements are unlikely to be fully operational before mid-2027 at the earliest.

As a result, there remains uncertainty regarding:

- Final regulatory requirements
- Licensing conditions
- Future commissioning expectations
- Property and service standards
- Housing Benefit implications
- The effect of the new regime on existing service models

Why Recommissioning at this time does not represent best value

A full procurement exercise during 2026/27 would require providers to bid against a service specification based on a legislative and regulatory framework that has not yet been fully defined or implemented. This creates significant uncertainty for both the Council and potential providers.

Providers would therefore be required to make assumptions regarding future operating requirements and compliance obligations. This uncertainty may reduce market confidence, limit competition and increase the likelihood of providers pricing additional risk into their submissions. There is also a risk that services commissioned now would require substantial redesign or variation once the new supported housing regulatory framework is implemented.

As noted, the Council is currently undertaking a supported housing needs assessment, to inform the development of the new Supported Housing Strategy required by legislation. This work will provide the evidence base to inform future commissioning intentions, service models and investment priorities. Undertaking a procurement exercise before this work is completed could result in services being commissioned that do not fully reflect identified need, emerging strategic priorities or future regulatory requirements. There is a risk that:

- Services commissioned now could need re-design shortly after mobilisation.
- New providers may submit bids based on assumptions that are subsequently overtaken by legislation.
- Contract specifications developed now could quickly become non-compliant with future national standards or licensing requirements.
- The Council's Supported Housing Strategy may identify different commissioning priorities once the needs assessment has been completed.

Proceeding to tender before the regulatory and strategic position is fully established would therefore create avoidable financial risk, additional administration and potential service instability. Extending the existing arrangements for a further 12 months would:

- Maintain continuity of support for vulnerable residents.
- Protect current accommodation capacity at a time of continuing homelessness and wider housing pressures.
- Allow the Council to complete its supported housing needs assessment and Supported Housing Strategy.
- Enable future commissioning arrangements to align fully with the new regulatory regime and evidence of local need.
- Support stronger market engagement and more informed commissioning decisions.
- Avoid the cost and disruption associated with a short-term procurement exercise that may require revisiting within a relatively short timescale.

This extension would place the Council in the strongest position to undertake a future procurement exercise against a clear regulatory framework and robust evidence base, increasing the likelihood of safeguarding existing support for vulnerable residents, and achieving best value over the longer term.

Service Continuity Considerations

The three Accommodation Based Services contracts support some of the Borough's most vulnerable residents, and form a critical component of the wider homelessness prevention and housing support system. The services assist the Council in meeting its statutory homelessness duties by providing accommodation and intensive support to individuals who are homeless or at risk of homelessness, enabling planned moves into settled accommodation and reducing the likelihood of repeat homelessness.

The services also provide an important alternative to more costly forms of temporary accommodation and help manage demand across wider housing, health and support services. Maintaining capacity during a period of sustained homelessness pressure is therefore an important consideration in ensuring the continued effectiveness of the Council's homelessness response.

Failure to extend the contracts could result in:

- Loss of supported accommodation capacity.
- Increased homelessness presentations and demand on temporary accommodation.
- Disruption for existing residents.
- Increased overall costs to the Council.

The current providers continue to deliver established services with strong local knowledge, referral pathways and operational relationships across housing, social care and health partners. Extending the contracts will provide stability for residents and providers, while the Council completes its supported housing needs assessment and develops a supported housing strategy. This approach will ensure that any future recommissioning exercise is informed by a comprehensive understanding of local need and aligned with the emerging national supported housing framework.

3 Options/Alternatives

3.1 The options and alternatives are detailed in the confidential report at Part B

4 Preferred Option and recommendation

4.1 Cabinet is requested to:

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2. Approve the use of Regulation 72(1)(b) of the Public Contracts Regulations 2015 to enable the contract modifications.
3. Delegate authority to the Deputy Chief Executive (Place), following consultation with Legal and Procurement Services, to finalise and execute all necessary

contractual documentation, including agreement of any inflationary uplift required to support service delivery during 2027/28.

4. Note that the Council intends to undertake a future commissioning exercise following completion of the Supported Housing Needs Assessment, publication of a Supported Housing Strategy and confirmation of the national supported housing regulatory framework.

5 **Consultation**

- 5.1 Consultation has taken place with the current providers, Procurement and Legal colleagues, in order to establish the appropriate, compliant route forward.

6 **Financial Implications**

- 6.1 The Financial Implications are detailed in the confidential report at Part B

7 **Legal Implications**

- 7.1 The Legal Implications are detailed in the confidential report at Part B

8. **Procurement Implications**

- 8.1 The Procurement Implications are detailed in the confidential report at Part B

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

- 9.1 No, but will be considered as part of the review for future commissioning arrangements.

10 **Key Decision**

- 10.1 Yes

11 **Key Decision Reference**

- 11.1 Key decision reference is HNS-07-26

12 **Background Papers**

- 12.1 Previous Cabinet paper to extend:

[Extend the contract term for delivery of Accommodation Based Services PART A.pdf](#)

13 **Appendices**

- 13.1 N/A