**PART A: Report to the Chief Executive**

# Extra Care Housing re-tender 2026/27

**Officer Contact:** Jayne Ratcliffe, Director of Adult Social Care (DASS)

**Report Author:** Claire Hooley, Assistant Director of Commissioning and Market Management

**Email:** Claire.Hooley@oldham.gov.uk

**2nd November 2026**

**Reason for Decision**

A decision is required to secure continuity of Extra Care Housing services beyond the expiry of the current contract on 31 March 2027. While the industrial action and pay dispute remain matters for MioCare and Unison, they introduce uncertainty at a critical stage in the commissioning process. Given that procurement, contract award and mobilisation are expected to take up to six months, a decision is needed now to enable timely procurement activity, minimise transition risks and ensure continuity of support for residents.

**Executive Summary**

This report sets out the options for the future commissioning of Extra Care Housing services in Oldham when the current contract with MioCare Services Ltd expires on 31 March 2027.

Following consideration of the available options, the report recommends a competitive procurement process, supported by a short extension to the existing arrangements where required. This approach provides the most appropriate balance of service continuity, compliance with procurement requirements and value for money. The report also notes that, should market engagement identify affordability or viability concerns, alternative commissioning arrangements, including a Teckal-compliant award to MioCare, may require further consideration.

**Recommendation(s)**

1. **Agree** to the recommended option to progress with pre-market engagement, commissioning and procurement activity for the future delivery of Extra Care Housing services
2. **Agree** to a three-month extension of the current contract with MioCare Service Ltd to 30 June 2027 to enable completion of market engagement, procurement, contract award and mobilisation activities.
3. **Note** that the outcome of pre-market engagement will be reviewed prior to finalisation of the procurement approach and contract documentation.

4. **Note** that the outcome of pre-market engagement may require further consideration of commissioning options and may be reported through the Council's governance processes as necessary.
5. **Note** that any future contract award will be subject to completion of the procurement process, and approval through the Council's governance arrangements.

Pre-scrutiny meeting 22nd October 2026
Leaders' consultative meeting 2nd November 2026

## 1. Background and Current Position

*Commissioning arrangements with MioCare*

1.1 MioCare is a council-owned group of organisations established to deliver adult social care services. Through its trading arm, MioCare Services Ltd (MSL), the group is able to bid for commissioned services.

1.2 Oldham Care and Support (OCS) delivers personalised adult social care services to older people, people with learning disabilities, autism, and individuals with complex needs. Service specifications are in place between the Council and MioCare for the delivery of these services.

*Extra Care Housing Procurement and Contract Arrangements*

1.3 The Extra Care Housing (ECH) service was procured through a competitive tender process rather than a direct Teckal award. Commissioners had evidence through market testing and a review of national delivery models that the service could be delivered by the wider market at competitive rates.

1.4 The procurement process provided an opportunity to test value for money, assess market capacity, and identify innovative delivery approaches. Given the comparatively higher cost base associated with a Teckal delivery model for this service, a competitive process was considered the most appropriate route to demonstrate value for money while ensuring transparency, fairness and compliance with procurement requirements.

1.5 MioCare Services Ltd (MSL) successfully secured the contract to deliver ECH services across the borough from 2019 under a five-year contract with the option to extend for a further two years. Although the contract was due to expire on 31 March 2026, an extension was approved until 31 March 2027 to allow further consideration of the Council's position regarding living wage expectations.

*Financial Position and Pricing Approach*

1.6 The current ECH (2026/27) contract has an annual value of £2.29m and supports the delivery of care and support across the Council's six Extra Care Housing schemes.

1.7 The pricing model comprises £0.52m in core funding, with the remaining £1.77m linked to assessed care hours for approximately 250 residents. Rates are reviewed annually in line with contractual arrangements, market conditions and the Council's Care Act duties to maintain a sustainable market.

## 2. Current Position

*Unison Pay Claim Industrial Action*

2.1 Commissioners became aware of workforce-related maters affecting the incumbent provider during 2026, which resulted in the planned procurement being paused whilst the implications for future service delivery and procurement activity were considered.

*Procurement Considerations*

2.4 In summer 2026, commissioners agreed to delay publication of the Extra Care Housing procurement to allow further consideration of matters that could influence the future delivery of the service and the procurement approach.

2.5 The delay provided an opportunity to ensure appropriate due diligence was undertaken and that the Council was able to progress a robust and compliant procurement process.

2.6 Since that time, commissioners have continued to review the commissioning environment and service requirements to inform the future procurement approach.

2.7 Further market engagement will be undertaken as part of the procurement process to support the development of a sustainable service model that delivers value for money and meets the needs of residents.

2.8 The current contract expires on 31 March 2027. Given the time required to undertake procurement, contract award and mobilisation activities, a decision is now required regarding the future commissioning approach for Extra Care Housing services across the borough.

2.9 Any future contract award will remain subject to affordability considerations and approval through the Council's governance processes.

## 3. Options

### A. Commence procurement following further pre-market engagement and extend current arrangements

Undertake pre-market engagement to test the market’s appetite and understanding of the risks arising from the industrial dispute, before finalising and publishing the tender. A short-term extension to the current contract would be required to allow for procurement, mobilisation and implementation.

### B. Delay procurement until the industrial dispute is resolved

Maintain the current approach and defer procurement activity until there is full clarity on the pay claim and industrial action outcome.

**C. Delay for a defined period and reassess**

Pause procurement activity for a short, defined period to monitor developments regarding industrial action before taking a final procurement decision.

*Note; this option reflects the approach taken to date and has effectively been implemented whilst further information has been gathered.*

**D. Extend existing arrangements and reprofile procurement**

Extend current contractual arrangements and defer procurement until a later date when there is greater confidence regarding workforce matters and market conditions.

**E. Direct Award to MioCare through Teckal-compliant arrangement**

Should pre-market engagement or a subsequent procurement process demonstrate insufficient market interest, affordability concerns or an inability to secure a suitable provider, the Council could consider a direct award to MioCare through a Teckal-compliant arrangement.

## 4. Preferred option

4.1 Option A: Commence procurement following further pre-market engagement and extend current arrangements.

4.2 This option reflects the advice provided by procurement and legal services. It provides the most balanced approach to securing service continuity whilst progressing towards a compliant procurement process, maintaining market competition and testing value for money.

4.3 Commissioners will review the outcome of pre-market engagement prior to finalising the procurement approach. Should market engagement identify insufficient provider appetite, affordability concerns or material delivery risks, a further report will be brought forward setting out alternative commissioning options, including consideration of a Teckal-compliant arrangements with MioCare.

***Indicative Procurement Timeline***

Subject to approval of the recommended option, the proposed timetable is:

| **Milestone** | **Timeframe, enabling a 3-Month Extension (Extension to 30th June 2027)** |
|---|---|
| Pre-market engagement and tender publication | November 2026 |
| Tender evaluation and moderation | January to February 2027 |
| Governance and contract award | March 2027 |

| | |
|---|---|
| Mobilisation period | April to June 2027 |
| New arrangements commence | July 2027 |

A three-month extension to the current contract, at an estimated value of £572,500, is required to enable completion of the procurement process and mobilization of any new provider. Where the incumbent provider is successful, the mobilisation period may not be required.

## 5. Consultation

5.1 Consultation has taken place with MioCare to seek their agreement to extending the current contractual terms for the short period of three months. This short extension period will enable the procurement to take place, including appropriate market engagement exercise, evaluation and moderation, and suitable time to enable mobilization. However, it should be noted, that should MioCare ('MSL') be successful in the tender exercise, the mobilisation period is not required.

## 6. Financial Implications

6.1 The alternate proposals would give rise to additional risks related to procurement and legal challenge in relation to the contract already having been extended for one year beyond the previous agreement end-date. Any procurement challenge associated with further extensions could result in significant financial consequences which have not been provided for within existing budgets.

6.2 The recommended option will require three months' extension to the existing contract in order to complete the tender process allowing for necessary engagement of the market arising from the industrial dispute and associated risks.

6.3 The Extra Care Housing contract for 2025/26 was £2.2m. For 2026/27 a 4% uplift increases the contract value to £2.29m. The estimated cost for the 3 month extension would be £0.57m and would be met from the annual budget without adverse financial impact.

6.4 Any future cost implications arising from the resolution of the industrial dispute or changes to workforce terms and conditions are not currently known and will be considered through the procurement process and reported through the appropriate governance arrangements

Harji Patel – Senior Accountant

## 7. Legal Implications

7.1 The proposal to extend the contract to permit re-procurement would be lawful pursuant to regulation 72(5)(b) of the Public Contract Regulations 2015 provided the increased

contract value shall not exceed 10% of the original contract value. This would attract low legal risk and should allow an adequate time to complete the procurement process. On this basis I agree the proposal is lawful and complies with the Contract Procedure Rules and the council's constitution.

Bryan Boese – solicitor

## 8. Procurement Implications

8.1 The preferred option (A) to extend the existing contract to allow for a compliant and safe commissioning and procurement process will necessitate some risk to the Council, on the assumption that the current contract does not allow for any further extension periods. A permitted grounds modification would be required. Procurement and Legal will support where required.

Tom Pyne - Assistant Director Procurement, Contract Management and Social Value

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

9.1 Not applicable for this commissioned service.

## 10. Key Decision

10.1 Yes

## 11. Key Decision Reference

11.1 **HSC-19-26**

## 12. Appendices and Background Papers

12.1 Commissioning Implications for the Unison Pay Claim against MioCare (MSL)

Approved by the Chief Executive following consultation with the political group leaders who were in attendance as follows:-

Councillors:

Decision made under the authorisation contained in Section 9C (5) Delegations of Specific Officers of Part 3 (Responsibility for Functions) and Section 3.6 of Part 4 (Executive Procedure Rules) of the Council Constitution for the Chief Executive to take emergency decisions in respect of the Council's executive functions.

| |
|---|
| Signed:<br><br>Shelley Kipling, Chief Executive<br>Dated: |
| Date of Leaders' Consultative meeting: |
| Summary of feedback from the political group leaders |