Report to Chief Executive

Contract extension – Mental Health Supported Living Services

Portfolio Holder: Not Appointed

Officer Contact: Jayne Ratcliffe, Director of Adult Social Care

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2nd November 2026

Reason for Decision
To approve the extension of the current Mental Health Supported Living Services contract in place with Creative Support Ltd for a further 2 years to 30th September 2028.

Recommendations
To utilise the powers granted as part of the decision to award the contract to deliver Mental Health Supported Living Services delegated to the Director of Adult Social Services (see Appendices 1-3 which confirm the delegation to the Director of Adult Social Care), following completion of the open procurement exercise from 1st October 2023 until 30th September 2026, with the option to extend for a further 24 months, as outlined in Option A.

This option supports the continuity of the service currently being provided with Creative Support who we are assured are providing the expected levels of support and quality of care outlined within the contract. Ongoing monitoring of the service will be maintained, in addition to enabling further discussions around developing the provision requirements with Commissioning colleagues.

Contract extension – Mental Health Supported Living Services

1 Background

1.1 Oldham Council is committed to ensuring the provision of a sustainable and diverse care market which includes providing Supported Living services for people in Oldham with complex Mental Health. The aim of the service is to focus on prevention and integration and a more person-centred model of holistic care, offering a supported living style service within the community to support service users to become more independent.

1.2 A tender process commenced via The Chest on 15th May 2023 for a maximum contract term for the period of 5 years i.e initial 3 years with up to a 2 year extension provision. The maximum annual financial envelope for the tender was advertised at £1,950,000 for the maximum 5 year duration. The successful bidder identified from the competitive procurement exercise was Creative Support. Their submission price was £261,413.36 per year, which is within the allocated budget. The contract commenced on 1st October 2023.

1.3 Creative Support Limited is registered with the CQC under the provider ID 1-101648755 and is registered to provide mental health supported living provision across three properties as detailed below;

Property Address	No. of rooms	No. of Service users
28 and 30 Falmouth Street, Oldham, OL8 1PF	6	6
20 Ferndale Close, Oldham, OL4 5NL	3	3
3 Scowcroft Lane, Shaw, OL2 7BB	4	4

1.4 Unlike the supported living provision for those with Learning Disabilities and/or Autism, the model in place with Creative Support for their Mental Health supported living provision is that of a Hub and Spoke Model.

1.5 Falmouth Street is the largest property acting as the Hub and is staffed 24 hours 7 days with 112 Core hours and a sleep in night support. Ferndale Close and Scowcroft Lane each have 84 Core hours (12 hours per day) and no sleep in night support. Service users contact Falmouth Street if support is required outside of the 12 hours. By concentrating overnight staffing and management at the Hub, support can be delivered more cost-effectively across multiple schemes. Resources can be directed towards direct support rather than duplicating staffing arrangements at each location. This allows the service to run purely on core hours with no additional flex hours required (which is unique to this particular contract for Supported Living).

1.6 With consideration to Mental Health Supported Living services across Greater Manchester, these vary significantly depending on:

- Building-based versus dispersed accommodation models
- Staffing levels and waking night provision

- Complexity of needs
- Scheme size
- Housing arrangements and whether housing management costs are included

1.7 Market intelligence from recent supported living procurements and commissioning activity across Greater Manchester typically indicates:

Service Type	Typical Weekly Cost per Person
Low - level supported living	£350 - £500
Mental Health supported living (medium support)	£500 - £800
Higher intensity supported living	£800 - £1,500+

1.8 The forecast annual cost for 2026 – 2027 for this contract is £364,000, still within the advertised financial envelope for the tender. This equates to an annual cost per person of approximately £28,000 and a weekly cost per person of approximately £538.

1.9 At approximately £538 per person per week, the Creative Support contract sits towards the lower end of typical Greater Manchester mental health supported living costs and is considered broadly in line with, or below, prevailing market rates.

1.10 To note, that formal GM benchmarking data is limited because supported living services are commissioned under different models by each authority and like-for-like comparisons are difficult, but the available market intelligence indicates that the contract remains within expected market ranges and offers value for money.

1.11 The forecast analysis of the council's pend across all supported living services shows a £15.7 million annual increase in supported living spend from 2023/24 to 2026/27 which is a 77% increase in spend over this 4 year period. This demonstrates significant growth in this market and highlights the need for value for money and cost effective provision. Creative Support delivers the lowest cost care package and relies solely on core hours reducing additional costs relating to flex hours.

2. Contract and Quality Monitoring

2.1 Creative Support's contract monitoring is carried out annually, supplemented by unannounced visits to the properties throughout the year including quarterly Quality monitoring to ensure ongoing compliance and quality oversight.[1]

2.2 Creative Support achieved a good rating in their recent assessment, with all domains demonstrating consistently strong performance. The review highlighted not only compliance with expected standards, but also a proactive approach to maintaining quality

[1] Contract QA and Improvement approach | Oldham Council

across their service delivery. Their documentation, staff practice, and responsiveness to emerging issues were all assessed positively, reflecting a stable and well-managed provision.

2.3 When concerns do arise whether through routine monitoring, unannounced visits, or feedback from professionals or tenants, Creative Support are quick to act and follow the correct procedures, communicate clearly, and evidence the steps taken to resolve matters. This level of responsiveness has contributed significantly to their positive rating and ongoing confidence in their service.

2.4 Any issues identified during visits are formally recorded and shared through the appropriate channels. Where concerns relate to property conditions, tenancy matters, or landlord responsibilities, these are escalated directly with the social landlord responsible to ensure they are addressed promptly and in line with regulatory expectations. This joint-working approach helps maintain safe, well-managed environments and ensures that any risks are mitigated without delay.

2.5 With consideration to value for money, cost and service quality must be balanced. Creative Support demonstrates that the contract is delivering a service that is both cost effective compared to market expectations and is meeting required quality standards.

3 Current Position

3.1 Creative Support have approached Commissioning colleagues with a new service proposal in line with the Market Position Statement. The extension to the contract will allow sufficient time to carefully consider the proposed change in provision which will be considered in a separate report in due course.

3.2 If a re-tender was to take place, the following provides a proposed procurement time line;

Phase 1 - Strategic Commissioning
Q1-Q3 2027

- Review current services and spend
- Analyse demand and future need
- Assess outcomes and performance
- Map accommodation and support gaps
- Engage people using services and carers

Phase 2 - Service Design and Market Development
Q3-Q4 2027

- Develop future service model
- Undertake provider engagement
- Confirm commissioning intentions
- Complete options appraisal
- Agree procurement approach

Phase 3 - Procurement Preparation
Q1 2028

- Develop specifications
- Finalise contract model and pricing framework
- Complete equality and financial assessments
- Secure governance approvals

Phase 4 - Procurement Process

May - September 2028

- Competitive tender process
- Evaluation and moderation
- Governance approvals
- Contract award

Phase 5 - Mobilisation
September 2028

- TUPE activity (where applicable)
- Individual transition planning
- Contract implementation
- Provider onboarding and assurance

Critical Milestones

- Commissioning Intentions Agreed: December 2027
- Procurement Launch: May 2028
- Contract Award: September 2028
- **New MH Supported Living Contracts Live: 1 October 2028**

3.3 Given the lower cost this contract currently operates at compared to both in borough and out of borough non-framework providers where spend has significantly increased since 2023/24, the implications of re-tendering this contract rather than utilising the extension option could mean that there is no guarantee that a new procurement would secure a lower-cost provider and a change of provider could create disruption for service users and introduce mobilisation risks.

4 Options/Alternatives

4.1 Option A – Approve the extension to the current contract from 1st October 2026. This would enable continuity of services with a provider that provides good quality care whilst meeting their contractual obligations.

4.2 Option B – Not to approve the extension and let the current contract expire on 30th September 2026. This would mean that a tender exercise would be required for the Mental Health Supported Living contract which could not be successfully completed within the time frame before the contract expires.

5 Preferred Option

5.1 Option A is the recommended option because, as outlined above, this option supports the continuity of the service currently being provided with Creative Support, in addition to enabling further discussions around developing the provision with Commissioning colleagues.

6 Consultation

6.1 Creative Support has been made aware that an extension to the contract is currently being sought.

6.2 The Supported Living Services are delivered in Shaw and Alexandra wards, but residents may be from across Oldham.

7 Financial Implications

7.1 The forecast cost for the 13 clients receiving support from Creative Support is £0.364m in 2026/27 which includes the annual uplift that was agreed at 4% for care provision. Assuming similar annual uplifts are applied in subsequent years, the cost is projected to increase to £0.379m in 2027/28 and £0.394m in 2028/29. The current 13 service users are supported across the three properties. The extension will maintain continuity of provision and avoid the potential costs, risks and operational pressures associated with undertaking an urgent procurement exercise or securing alternative provision.

7.2 Beyond the expenditure already provided for within approved budgets, there are no anticipated adverse financial implications for the Council arising from this proposal. (Harji Patel, Senior Accountant)

8 Legal Implications

8.1 The proposal is lawful and complies with the Contract Procedure Rules. The proposed extension was provided for in the original contract which was completed. The contract modification to extend should be by deed and executed by 30 September 2026.

9. Procurement Implications

9.1 The initial tender was a competitive PCR2015 tender under DN662070 which was for 3 years with the option to extend by up to 2 years. The start date was 01 Oct 2023, with the initial term ending 30 September 2026. The contract states:

> **2.** The Council may, upon written agreement with the Provider, extend the Initial Term by no more than two years ("Extended Term").

9.2 The extension will need to be completed prior to the expiry of the initial term, but does not state the required period this needs to be completed in. The original report does seem to allow for the extension within it: 'This report requests approval to award the contract for delivery of Mental Health Supported Living Services to the preferred bidder following an open procurement exercise, from 1st October 2023 until 30th September 2026, with the option to extend for a further 24 months.'

9.3 The contract allows for extension up to 30th September 2028.

10 Equality Impact, including implications for Children and Young People

10.1 Not required

11 Key Decision

11.1 Yes

12 Key Decision Reference

12.1 Key Decision Refence is KDD-26-06

13 Background Papers

13.1 N/A

14 Appendices

14.1 DDR Contract Award MHSL V4

14.2 MHSL Cabinet Report 21.08.23

14.3 Officer Record of Decision Non-Key – Mental Health Supported Living

Approved by the Chief Executive following consultation with the political group leaders who were in attendance as follows:- Councillors: Maggie Hurley, Sam Al-Hamdani, Paul Taylor, Ioan Williams, Arooj Shah, Lisa Navesey, Beth Sharp, Max Woodvine, Brian Hobin, Elaine Taylor, Kamran Ghafoor and Aisha Kouser 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:  Shelley Kipling, Chief Executive Dated: 05/11/2026
Date of Group Leaders meeting: 02/11/2026
Summary of feedback from the political group leaders: Group Leaders sought details regarding the timetable for the future procurement exercise and officers undertook to provide this information. Questions were also raised regarding the cost per service user and whether benchmark comparisons with other Greater Manchester authorities were available. Officers agreed to provide comparative information, and Group Leaders requested that future procurement reports include comparison data where possible. The recommendations were approved subject to the requested comparator information being shared.