Future Commissioning Arrangements Care at Home and Night Care Services - Contract Award – Part A

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Reason for Decision
This report seeks approval to award new contracts for the provision of Care at Home and Night Care Services following completion of a compliant Open Tender procurement exercise undertaken in accordance with the Procurement Act 2023 and the Council's Contract Procedure Rules.

Approval is sought to:

- Award Care at Home Services through a cluster-based delivery model comprising ten Lead Providers and five Back-up Providers.
- Award the Night Care Service contract to a single provider.
- Authorise commencement of the new contractual arrangements from 1st April 2027.

The contracts will be awarded for an initial period of 4 years to 31st March 2031, with options to extend for up to a further two years.

The estimated annual contract value is £20.33 million, comprising approximately:

- £20.2 million for Care at Home Services.
- £127,400 per annum for Night Care Services.

The estimated total value is £81.3 million across the initial term and approximately £122 million should all extension options be exercised.

Executive Summary

Care at Home and Night Care Services are critical components of Adult Social Care provision within Oldham. The services support adults with eligible care needs to remain living independently within their own homes and contribute to improved wellbeing, reduced reliance on residential care and effective hospital discharge arrangements.

Following Cabinet approval, the Council undertook a full Open Tender procurement exercise for the future delivery of these services. The procurement generated significant market interest and attracted a high number of compliant submissions.

Providers were evaluated against published criteria comprising:

- Quality (90%)
- Social Value (10%)

A fixed-price model was used, enabling providers to compete on quality and social value outcomes.

Following completion of the evaluation and moderation process, appointable providers have been identified that demonstrated strong approaches to service delivery, quality assurance, workforce sustainability, safeguarding, partnership working and social value.

Collectively, the successful providers have committed to supporting local employment and skills development, workforce sustainability, community wellbeing, engagement with local voluntary and community organisations, increased local spending and environmental sustainability initiatives. Delivery of these commitments will be monitored throughout the contract term.

Award of the contracts will provide continuity of care for residents, support delivery of the Council's statutory duties under the Care Act 2014 and establish sustainable contractual arrangements from April 2027.

The recommissioning exercise will also strengthen market resilience through a new cluster-based delivery model, improve workforce sustainability, secure measurable social value outcomes for Oldham communities and provide a more sustainable platform for meeting future demand for community-based care and support services.

Recommendations

Is it recommended that the Chief Executive:

- Approves the award of Care at Home Service contracts to ten Lead Providers and five Back-Up Providers for the period 1st April 2027 to 31st March 2031, with options to extend for up to two further years to 31st March 2033.

- Approves the award of the Night Care contract to the highest-scoring provider identified through the procurement process, as detailed in Part B of this report for the period 1st April 2027 to 31st March 2031, with the option to extend for up to two further years.

- Delegates authority to the Director of Adult Social Services, in consultation with the appropriate elected member, to approve any contract extensions where performance and service requirements justify continuation.

1 Current Position

1.1 The Council's existing contractual arrangements expire on 31st March 2027.

1.2 The recommissioning programme was designed to deliver more than replacement contractual arrangements. It sought to strengthen market resilience, improve service quality, support workforce sustainability, secure wider social value benefits and ensure the Council remains well positioned to respond to future increases in demand for Care at Home services.

1.3 An Open Tender procurement process was undertaken in accordance with the Procurement Act 2023 and the Council's Contract Procedure Rules. The opportunity was advertised via The Chest procurement portal and the central digital platform.

1.4 The procurement attracted significant market interest and a substantial number of compliant bids were received across both service lots, providing a highly competitive process and enabling the Council to identify providers capable of delivering high-quality services.

1.5 All submissions were evaluated in accordance with the published methodology. The evaluation process included independent assessment, moderation and procurement oversight to ensure transparency, consistency and compliance. All awards are recommended on the basis of the Most Advantageous Tender in accordance with the Procurement Act 2023.

1.6 The successful providers achieved the highest scores against the Council's published evaluation criteria and are recommended for contract award. Collectively, they demonstrated strong approaches to service quality, safeguarding, workforce sustainability, mobilisation, partnership working, equality and inclusion, technology-enabled care and social value delivery.

2 Preferred Option

2.1 **Option 2 - Award Contracts to the Highest Scoring Providers Following Completion of the Procurement Exercise commencing on 1st April 2027.**

2.2 This option represents the outcome of a compliant and highly competitive procurement process undertaken in accordance with the Procurement Act 2023 and the Council's Contract Procedure Rules.

2.3 The procurement attracted significant market engagement and enabled the Council to undertake a robust assessment of quality and social value proposals. The recommended providers achieved the highest overall scores following evaluation,

moderation and due diligence and therefore represent the Most Advantageous Tenders.

2.4 The proposed model provides greater market resilience through the introduction of geographically based clusters supported by back-up providers, whilst strengthening quality assurance, workforce sustainability and provider accountability. The contracts will also secure measurable social value benefits for Oldham residents through commitments relating to local employment, apprenticeships, workforce development, community wellbeing, local supply chains and environmental sustainability.

2.5 Given the extensive market testing undertaken, the competitive nature of the procurement process and the requirement to have replacement contractual arrangements in place from April 2027, there is no alternative option capable of delivering an equivalent combination of legal compliance, service continuity, quality, market resilience, social value and value for money.

2.6 Awarding the contracts will ensure continuity of critical care services, support the Council's statutory duties under the Care Act 2014 and provide a sustainable platform for meeting future demand.

2.7 Adult Social Care will implement a structured mobilisation programme and contract management arrangements to ensure continuity of care, provider readiness and safe implementation of the new contractual arrangements from 1 April 2027.

2.8 This is the recommended option.

3 Consultation

3.1 Extensive engagement was undertaken throughout the procurement process to inform the final service specification and commissioning model. This included consultation with people receiving Care at Home services through letters and questionnaires, engagement sessions with existing and prospective providers to gather feedback on the proposed service model, and a bidder event following publication of the tender to provide clarification and support provider participation. The procurement was also overseen by a multi-disciplinary steering group comprising representatives from Adult Social Care Operations, Commissioning and Market Management, Procurement, Legal Services, Finance, ensuring that the final service model and procurement route reflected operational requirements, market feedback, legal compliance and financial sustainability.

4 Financial Implications

4.1 The estimated annual value of the proposed contractual arrangements is £20.33m, comprising approximately £20.2m for Care at Home Services and £0.130m for Night Care Services. The estimated value over the initial four-year contract term is £81.3m, rising to approximately £122m should the available extension period be fully utilised.

4.2 The proposed expenditure will be funded from within existing Adult Social Care community care budgets. The procurement exercise adopted a fixed-price model and therefore providers competed on quality and social value rather than price. This

approach supports market sustainability by reducing the risk of providers submitting unsustainable pricing in order to secure contractual arrangements.

4.3 Care at Home Services are inherently demand-led, and increases in the number or complexity of care packages may result in expenditure exceeding current forecasts and approved budget provision. Financial monitoring arrangements will continue to be undertaken through established budget management processes to ensure expenditure remains aligned to approved budgets and demand forecasts.

4.4 Whilst the contract values can be accommodated within existing budget provisions, the procurement outcome represents a significant change to the provider market. As part of the mobilisation programme, there may be one-off implementation costs associated with provider onboarding, system configuration, purchasing activity, communications, contract mobilisation and workforce transition arrangements. Any mobilisation and implementation activity will be managed within existing resources and budget provision. Any material financial implications arising during mobilisation will be reported through the Council's established governance arrangements.

4.5 No additional growth funding is being requested as part of this decision. Annual provider uplifts will be determined through the Council's established fee review process and considered within the overall budget-setting framework having regard to affordability, market sustainability and available resources. Any future financial pressures arising from fee uplifts, demand growth, legislative requirements or inflationary pressures will be managed through the Council's medium-term financial planning and budget setting arrangements.

4.6 The following key financial risks should be noted in relation to the proposed contract award:

Demand Risk: Care at Home services are inherently demand led, and increases in the number or complexity of care packages may result in expenditure exceeding current forecasts. Financial performance will require ongoing monitoring against budget and activity trends to identify emerging pressures at the earliest opportunity.

Inflation and Workforce Cost Pressures: Although the procurement model provides short term pricing certainty, the adult social care market continues to face significant cost pressures arising from National Living Wage increases, recruitment and retention challenges, pension costs and wider inflation. Future fee review negotiations may therefore create additional budget pressures during the contract term.

Provider Sustainability Risk: The concentration of service delivery within a reduced number of providers may increase financial exposure should a contracted provider experience operational or financial difficulties. Provider financial health will require regular monitoring through contract management arrangements to mitigate the risk of service failure and associated contingency costs.

Mobilisation and Transition Risk: The implementation of the new contractual arrangements represents a significant operational change across the local care market. Delays in mobilisation, provider readiness issues, workforce shortages or service disruption could result in additional costs associated with contingency

arrangements and commissioning support.

Liz Taylor - Senior Accountant

5 Legal Implications

5.1 The recommendations are lawful and comply with the Contract Procedure Rules and the Council's constitution being in compliance with the Procurement Act 2023.

Bryan Boese – Solicitor

6. Procurement Implications

6.1 Lot 1 Care at Home and Lot 2 Night Care services were procured as an Open Tender under the Procurement Act 2023 regulations. The opportunity was advertised on The Chest procurement portal as well as the central digital platform.

Lot 1: Care at Home Services
The procurement attracted significant market interest and compliant submissions were evaluated in accordance with the published criteria. The quality submissions were evaluated by colleagues from a range of service areas. The Procurement Team then chaired a moderation session to agree the final quality scores and ensure that all submissions were assessed consistently in line with the published scoring criteria.

Social Value formed 10% of the overall evaluation methodology and required providers to demonstrate how they would deliver measurable economic, social and environmental benefits for Oldham residents throughout the contract period. Commitments included local employment opportunities, apprenticeships, workforce development, community wellbeing initiatives, support for local supply chains and environmental sustainability measures.

Lot 1 services are to be awarded via a cluster-based delivery model comprising ten Lead Providers and five Back-Up Providers.

As detailed in Part B of this report the ten Lead Providers and five Back-Up Providers have scored highest across the two criteria of Quality and Social Value and it is recommended that they are awarded contracts for Care at Home Services.

Lot 2: Night Care Services
The procurement attracted significant market interest and compliant submissions were evaluated in accordance with the published criteria. The quality submissions were evaluated by colleagues from a range of service areas. The Procurement Team then chaired a moderation session to agree the final quality scores and ensure that all submissions were assessed consistently in line with the published scoring criteria.

Social value responses were evaluated using the Social Value Portal.

Lot 2 services will be awarded to One Provider on the basis of the most advantageous tender.

As detailed in Part B of this report the most advantageous tender has scored highest across the two criteria of Quality and Social Value and it is recommended that they are awarded the contract for Night Care Services.

Ankur Patel – Procurement

7 Equality Impact, including implications for Children and Young People

7.1 An Equality Impact Assessment was completed as part of the commissioning and procurement process and identified no impacts that would prevent implementation of the proposed arrangements.

8 Key Decision

8.1 Yes

9 Key Decision Reference

9.1 KDD-26-32

10 Background Papers

10.1 Future Commissioning Arrangements for Care at Home, Extra Care Support, Night Provision Support Services (HSC-13-25)

10.2 Confirmation of further extension to the Current Commissioning Arrangements for Care at Home, Extra Care Support and Night Provision Support Services (HSC-13-25)

11 Appendices

11.1 Part B – Future Commissioning Arrangements Care at Home and Night Care Services – Contract Award.