

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 30 June 2026
Subject:	Community Accommodation Service Tier 3	
Report of	Cabinet Member for Housing Services	

1. Summary

- 1.1** This report seeks consent to undertake the re-procurement of the Community Accommodation service Tier 3 (“CAS3”), a service delivered by the Council to prevent homelessness for individuals leaving prison, equipping them with independent living skills and breaking cycles of homelessness and offending behaviour.
- 1.2** By way of background, in 2021 Bury Council undertook Market engagement with regards to the service provision, and this resulted in two providers expressing interest. However, the complexity of the service remained evident, and only one provider, the Stepping Stone Projects (“Stepping Stones”), was able to meet the requirements within the available funding. Although the second provider was well-established, their proposed costs exceeded the funding envelope. Stepping Stones was subsequently appointed by way of a contract dated 5th October 2021, end date of 31st October 2022 and estimated contract value of £236,600. This contract did not include any option to extend.
- 1.3** Stepping Stones were appointed to deliver the required services; 10 bed spaces, as set out in the grant agreement as part of the Greater Manchester wide CAS3 pilot programme. Due to delays in mobilisation, Bury Council was unable to commence delivery in line with the planned start of the pilot on 1st July 2022. The service subsequently became operational on 1st November 2022, delivering for the remainder of the GM pilot period.
- 1.4** Due to delays in the commencement of the service delivery, the Council submitted and subsequently received approval for an Exemption Request (dated 19th October 2022) to extend the contract with the Stepping Stones for a further 12 months, for the period of 1st November 2022 – 31st October 2023. OP Dec approval also referred to the option to extend by a further two years subject to performance. This Exemption Request was also necessary owing to late notification of grant funding. The Council varied the term of the contract by way of a Deed of Variation, dated 12th December 2022. . The options to extend were utilised, taking the end date of the contract to 31st October 2025.
- 1.5** In August 2025, Greater Manchester Combined Authority (“GMCA”) and the Ministry of Justice (“MoJ”) confirmed further grant funding to Bury Council of £807,396 to extend delivery of CAS3 from July 2025 to December 2027.

Therefore, prior to the expiry of the contract with the Stepping Stones, procurement advice was sought, and the Council was advised that it would need to undertake a compliant procurement exercise to identify a service provider to deliver the CAS3. However, given the limited time available before the expiry of the contract (31st October 2025) and delays in the issue of the MoJ's new service specification, the Council obtained Op Dec approval (dated 4th March 2026) to extend the term of the contract by a further 12 months from 1st November 2025 to 31 October 2026, and a total estimated contract value of £430,596, pending the recommissioning of this service and completion of a compliant procurement exercise.

1.6 The contract will expire on 31st October 2026, and therefore the Council is seeking Cabinet approval to initiate a procurement via The Chest to identify a provider for the CAS3 service. In terms of the new contract that the Council is seeking to procure, this, will have an initial term of 14 months, option to extend for a further 6 months, and a total estimated contract value (for the initial term) of £430,956. While the value of the proposed contract is below £500,000, the total grant awarded for the wider delivery period is £807,396, and as a result, advice has been received that Cabinet

2 Recommendation(s)

2.1 Authorise Bury Council to initiate a tender exercise via The Chest to identify a provider to deliver the Community Accommodation Service Tier 3 , in line with the requirements set out in the grant agreement with the Greater Manchester Combined Authority, with an initial term of 14 months of total estimated contract value (for the initial term) of £430,596, and option to extend for a further 6 months

2.2 Authorise the Director of Housing to approve the award of the new contract without the need for further approval from Cabinet.

3. Reasons for recommendation(s)

3.1 There has been a significant increase in the number of individuals experiencing homelessness. This cohort includes individuals leaving prison custody, who often face additional barriers to securing and maintaining stable accommodation. The Ministry of Housing, Communities and Local Government ("MHCLG") has recently set out outcome measures for local authorities as part of its updated strategy, including an ambitious objective to ensure that no individual leaves an institution into homelessness.

3.2 Rough sleeping has increased locally, due to numerous factors which include:

- Increase in the number of people with complex needs (mental health, substance misuse and offending behaviours)

- Expensive local housing market contributing to lack of access to the private rented sector and finite support of social housing.
- Increased asylum and refugee presentations due to government policy and leave to remain cases.
- Cost of living has increased which resulting in more households struggling to sustain their tenancies.

Alternative options considered and rejected

- These properties will deliver emergency accommodation preventing individuals leaving custody homeless and rough sleeping. If this option is not pursued, the council will be unlikely to achieve a reduction in rough sleeping, which conflicts with our local, regional, and national homelessness strategies. We would also fail in delivering this joint commissioned programme. This would present a risk of reputational damage and a failure to meet our corporate responsibilities.
- CAS3 is joint commissioned programme between the GMCA and MoJ and has been delivered by the local authorities since 2022. The programme continues to build on its success year on year and remains a key resource in preventing, breaking cycles of homelessness and reducing re-offending. Due to current capacity constraints within the service, the ongoing challenges in securing suitable accommodation to support delivery, and its status as an externally grant-funded programme with a fixed cost envelope CAS3 is most effectively delivered by an external provider.

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4. Background

- 4.1** The Council has a statutory duty, under the Homelessness Reduction Act 2017, to take reasonable steps to prevent individuals from becoming homeless or sleeping rough within the borough. There has been a notable increase in rough sleeping both nationally and locally, with numbers rising significantly since the COVID-19 pandemic and the introduction of the 'Everyone In' initiative a trend that persists. Contributing factors include challenges associated with prison leavers, asylum and immigration pressures, high demand for housing, entrenched and complex needs and limited effectiveness of prevention measures.

4.2 In response to the growing number of prison leavers leaving custody without accommodation and subsequently rough sleeping, CAS3 was introduced. CAS3 provides accommodation-based support for individuals leaving prison and is funded by the Ministry of Justice. The service is co-commissioned by the Greater Manchester Combined Authority (GMCA), local authorities, and Greater Manchester Probation Service. Greater Manchester has delivered CAS3 since 2021 as one of five regional pilot areas. Unlike other pilots, Greater Manchester co-commissions CAS3 with Probation Services under devolved arrangements set out in the Justice Devolution Memorandum of Understanding agreed between GMCA and the Ministry of Justice in July 2019.

5. Current position

5.1 Stepping Stones have been providing the CAS3 on behalf of Bury Council since October 2022 and were originally delivering 10 bed spaces, but this has increased to 14 bed spaces. The accommodation is a fully self-contained or ensuite, with a preference for dispersed accommodation. Suitability considerations are applied by both the Local Authority, Greater Manchester Police and Greater Manchester Probation Service with regards to regulatory requirements and community safety.

5.2 The CAS3 service model has proved highly effective since inception, contributing towards Greater Manchester's Probation region consistently achieving some of the best outcomes nationally for reducing homelessness upon prison release. Not only do services like CAS3 have profound impacts on the health, wellbeing and prospects of the people accommodated, but it is also clear that having access to safe housing is a key protective factor in reducing reoffending. Evidence at both regional and local levels shows that individuals with stable housing after leaving prison are far less likely to reoffend or return to custody. This demonstrates that services such as CAS3, alongside our wider homelessness programmes, not only transform individual lives but also deliver a significant systemic impact reducing crime, improving community safety, and alleviating pressure on public services across Greater Manchester and within Bury.

5.3 On 28 March 2025, GMCA approved the budget and grant allocations for GMCA commissioned Homelessness and Migration programmes. The MoJ have confirmed that a total grant of £14,866,624 will be paid to GMCA via Greater Manchester Probation Service to cover the period from 1st April 2025 to 23rd December 2027, with an option to extend for a further 9 months.

5.4 In June 2025, Bury Council was notified that additional funding had been secured to extend CAS3 for a further 30 months, with a grant allocation of £807,396 for 12 bed spaces. However, due to delays from Greater Manchester Probation Service in providing written confirmation of funding and

the new service specification, Bury Council did not have sufficient time to undertake a compliant re-procurement of these services. The funding period ran from July 2025, as this is the end of the previous CAS3 funding. Due to late mobilisation part of the July 2025 grant will cover this overlap.

6. Funding

- 6.1 Funding is provided through an external grant from the Greater Manchester Combined Authority (GMCA) and the National Probation Service. The total grant allocation is £807,396.

Funding Years	Total
July 2025 -March 2026 (9 months)	£242,305
April 2026 – March 2027	£322,786
April 2027- Dec 2027 (9 months)	£242,305
Total	£807,396

- 6.2 Payment schedules were adjusted to align with the original CAS3 end date of 30 June 2025, ensuring consistency with other Greater Manchester localities. When the new funding commenced on 1 July 2025, Bury Council was already in contract with Stepping Stones.
- 6.3 As mentioned previously, the current contract has been extended from 1 November 2025 to 31st October 2026 . The final quarter of the current contract will be paid from the current year's grant allocation. The amount will be £430,596 from the allocated grant from July 2025- October 31st 2026
- 6.4 The new contract will have a total value of £430,596 and will run from 1 November 2026 to December 2027, subject to variation in line with MoJ requirements and any updated grant agreements.

7. Links with the Corporate Priorities:

- 7.1 The Bury Homelessness Strategy aims to deliver the agreed objective of eliminating all rough sleeping in Bury, by preventing homelessness and providing 'enabling support' towards independence. The Bury Homelessness Strategy also aligns to the Bury Let's Do It Strategy which provides the vision to enable people of all ages to live well within their neighbourhoods.

Local

Local housing options for local people
 Developing and regenerating the unique townships where people live

Prevent the need for Bury residents to have to move out of the borough to have their needs met.

Bring Bury residents back in borough if its right for them. o Work with local developer's and providers who know the local area.

Enterprise

Encouraging enterprise to drive inclusive economic growth through our business community.

Enterprising innovation and creative solutions to current housing issues.

Be bold in our housing solutions and future developments in Bury.

Together

Working together to design quality, fit for purpose homes for people with additional needs in Bury.

Working together with service users, their cares and families to shape accommodation options and design.

Working together to ensure inclusivity throughout the housing agenda.

Strengths

Taking a strength- based approach to recognise the assets and strengths of communities.

Recognising the strengths of individuals enabling their independence, choice, and control for housing.

8. Links with the Greater Manchester Combined Authorities Priorities:

8.1 Greater Manchester Housing First manifesto aims to

deliver agreed objectives which include.

- o Supply: Working at GM level to offer direct and indirect support to drive the delivery of housing supply to ease the housing crisis and contribute to economic growth.
- o Standards: Working at GM level to support the development and delivery of interventions to ensure existing homes are safe, secure, healthy and affordable across all tenures.
- o Support: GM level activity that transforms how residents are supported to live healthy, independent lives at home, that integrates services and improves ways of working, delivering better outcomes and reducing costs within wider public services. This is integral to and will be closely aligned with the Live Well model.

9. Equality Impact and Considerations:

9.1 The analysis has considered the impacts across several characteristics which have been mitigated to ensure all impacts are neutral and specific needs are met through the activity. There are no outstanding equalities concerns.

A full EIA has been completed, potential negative impacts have been identified for some characteristics which have been fully mitigated, therefore there is no overall adverse impact with this activity.

Environmental Impact and Considerations:

An environmental impact assessment has not been undertaken for the review, as there are no implications or carbon impact of this decision.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Increase in demand of people are leaving custody homeless accessing the service and have complex needs (mental health, offending histories, and substance misuse problems).	The proposal considered the pathways which are required to ensure early identification of single homeless people leaving custody and needing accommodation. It includes different ways of working to develop support packages which are not only tenancy related but provide interventions for other aspects of people lives to develop independence and resilience. This includes the prison pathway panel made up of partner agencies.

Procurement Implications:

Procurement will be undertaken to prevent further exemptions/extensions and factoring in continuation of services is dependent on continued grant funding.

Legal Implications:

1. Under Part VII of the Housing Act 1996 (as amended by the Homelessness Act 2002 and the Homelessness Reduction Act 2017), Bury Council, as a local housing authority, owes a range of statutory duties to persons who are homeless or threatened with homelessness. The statutory duties in respect of homelessness set out in Part VII were significantly expanded by the Homelessness Reduction Act 2017.
2. In broad terms, the Council must take active steps both to prevent homelessness and to secure accommodation for those who are already homeless. This duty applies equally to individuals leaving institutions,

including those leaving prison or other custodial settings, who are expressly identified as a group at particular risk of homelessness and for whom early intervention is critical.

3. In the context of prison leavers, the Council's prevention duty is typically engaged where an individual is due to be released within 56 days and is at risk of having no accommodation available upon release. Where accommodation is not secured prior to release and the individual presents as homeless, the Council's relief duty will arise, requiring reasonable steps to help them secure suitable accommodation.
4. The Council has a proactive obligation not only to respond to street homelessness, but to intervene early—particularly in respect of known cohorts such as those leaving custody—and to take reasonable, coordinated steps to prevent and reduce homelessness. In this context, the provision of transitional accommodation through schemes such as CAS3 can play an important role in supporting the discharge of the Council's statutory functions.
5. In discharging these functions, the Council must have regard to the Homelessness Code of Guidance (issued under s.182 Housing Act 1996), including the specific guidance relating to persons leaving custody, and must comply with wider public law and equality duties.
6. Over the last 4 years has been extended on more than one occasion, despite the original contract not including any option to extend or it being clear which ground under Regulation 72 of the Public Contract Regulations 2015 the Council has sought to rely on to modify the term. It is therefore positive and important that the Council is now seeking to regularise the contractual position and undertake a compliant procurement for this service.
7. Procurement via The Chest (the North West local authority e-procurement portal) supports compliance with the Procurement Act 2023 by providing a transparent, open and auditable platform through which opportunities are advertised and competed. The Act requires contracting authorities to conduct procurements in accordance with the principles of transparency, equal treatment and fair competition, and to ensure proportionate and value-for-money outcomes. Use of The Chest facilitates these requirements by enabling equal access to the market, structured electronic submission of tenders, and a clear audit trail of the procurement process, thereby supporting a lawful and robust award decision.
8. Cabinet can delegate the contract award decision under the Council's Constitution and Scheme of Delegations. Approving the recommendation would enable the award decision to be made by the delegated decision maker within the parameters already agreed by Cabinet, and in accordance with the Council's Contract Procedure Rules. The delegated officer must ensure that the procurement has been conducted lawfully and in accordance with the published evaluation criteria. Delegation avoids the need to return to Cabinet

and does not present additional risk, provided that the award is within the scope of the approvals already given.

Financial Implications:

9. The contract cost will be funded by the external grant, ensuring there is no additional net impact on the Council's general fund revenue budget.
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Appendices:

None.

Background papers:

None.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning