

CABINET

21 OCTOBER 2025

Delegated decision by Chief Executive to approve consent to direct award a contract for the supply of community equipment.

Report by Director of Adult Social Care

RECOMMENDATION

The Cabinet is RECOMMENDED to note the report

Executive Summary

1. An urgent decision has been taken to consent to the direct award of a contract for the supply of community equipment to Millbrook Healthcare Limited [Millbrook] due to the failure of the previous provider Nottingham Rehabilitation Services Healthcare Ltd [NRS].
2. Alongside this, an urgent decision was also taken to delegate to the Director of Adult Services in consultation with Director of Financial and Commercial Services to conclude negotiations with NHS partners and finalise the contract award and terms and conditions to assure continuity of service.
3. The decision was taken urgently to provide continuity of service to vulnerable Oxfordshire residents and assure key system deliverables including: avoiding the risk of people being admitted to hospital or care home from risks arising to their wellbeing in their own home; maintaining discharge rates home after a stay in hospital; providing support to people at end of life; and safeguarding the welfare for children and adults with complex support needs.

Background

4. The Care Act 2014 mandates that local authorities have a duty to provide, arrange, or identify services, such as equipment and minor adaptations, to prevent, reduce or delay the need for care and support for adults.
5. The Integrated Community Equipment Service [ICES] supports thousands of people in Oxfordshire to live independently at home and is fundamental to the response and flow of the health and care system. The equipment provider delivers to peripheral equipment stores in hospitals and community teams and directly to peoples' homes. It also installs and maintains and repairs community

equipment and collects equipment when no longer needed and reconditions for recycling to other residents

6. The ICES contract with NRS had four consortium partners - Oxfordshire County Council, Buckinghamshire, Oxfordshire and Berkshire West (BOB) Integrated Care Board (ICB), Oxford Health NHS Foundation Trust [OHFT] and Oxford University Hospitals NHS Foundation Trust [OUH]. Oxfordshire has been working through this consortium to develop interim contingency provision and develop and implement the longer-term contract with Millbrook.

Reasons for Special Urgency

7. On 13 June the Council were notified by its existing community equipment provider, NRS, that it was in serious financial distress and was at imminent risk of business collapse. Following this notification the Council began working with the consortium partners to develop interim contingency plans and potential longer-term contracting arrangements. On 18 July, NRS confirmed that it expected to cease delivery of service on or around 31 July, and so the Council acted swiftly to secure alternative provision by that date.
8. The urgent decision to enter into negotiations with an alternative provider was taken to provide continuity of service to vulnerable Oxfordshire residents and assure key system deliverables including: avoiding the risk of people being admitted to hospital or care home from risks arising to their wellbeing in their own home; maintaining discharge rates home after a stay in hospital; providing support to people at end of life; and safeguarding the welfare for children and adults with complex support needs.

Contractual options and development

9. The community equipment market is nationally extremely limited, with few providers available with the capability to provide an emergency interim and ramped up full community equipment service.
10. The Council considered the potential of an internal service however the complexity and scale of the ICES contract meant that an in-house model delivered by the Local Authority was unrealistic in the timeframe and the establishment and delivery of an in-house service would cost significantly more.
11. Therefore, the Council assessed potential providers against the risk of the financial problems that had impacted on NRS using publicly available data, with Millbrook identified as the preferred provider.
12. Millbrook directly approached Oxfordshire, along with Buckinghamshire and the 6 Berkshire local authorities to optimise on previous relationships – Oxfordshire contracted with Millbrook before 2019 – and strategically work within the geographies of their other contracts in Northamptonshire and Surrey.

13. With the agreement of the consortium partners, the Council entered into discussions with Millbrook for the delivery of a successor service. It was recommended that the Council proceeded with a direct award of a contract to Millbrook with the following key changes to the current NRS service
 - (a) The contract will be held with Millbrook by the Council and OUH, with the ICB and OHFT as partners
 - (b) The contract will not include the telecare service currently provided by NRS. Telecare equipment, maintenance and monitoring and response will be provided under separate arrangements that do not fall within this emergency decision
 - (c) The costs within the new ICES contract will increase.
14. Following agreement by all NHS system partners the new service commenced on 1 August.

Corporate Policies and Priorities

15. The Council's Strategic Plan for 2023-2025 focuses on prioritising the health and wellbeing of residents, supporting carers and social care system, and partnership working. Further, the Oxfordshire Way highlights how the Council wants Oxfordshire residents to lead safe, healthy, happy lives.
16. ICES enables people who may be vulnerable to access support. As such the Council should continue to commission services to support people to maintain their independence, provide assurance to people and their families that they can remain safe and secure in their own home, and enable access to support should they need assistance.

Financial Implications

17. The new business as usual ICES service is projected to cost c. £9.8m per year, £29.4m over the three-year period. This is an increase of £0.6m per annum, £1.8m over the three-year period
18. Based on 24/25 activity the £0.6m increase would be funded by:

Funding Organisation	% split	Annual increase in costs £m	Total increase - 3 years £m
OCC	43%	0.27	0.82
ICB	48%	0.30	0.91
OUH	9%	0.05	0.16

Total	100%	0.63	1.89
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These are estimated figures and would be dependent on actual activity incurred during 2025/26.

19. The councils share of the increased costs will be managed within existing budgets in 2025/26 and dealt with, if the additional cost cannot be absorbed, through the budget and business planning process for 2026/27.

Comments checked by: Stephen Rowles, Strategic Finance Business Partner, stephen.rowles@oxfordshire.gov.uk

Legal Implications

20. Under the Care Act 2014 the Council has a statutory duty to provide the services and equipment under the proposed contract. In addition, the Council is permitted to purchase certain goods and services on behalf of Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board ("BOB ICB") by virtue of the current partnering agreement with BOB ICB under s 75 of the National Health Service Act 2006.
21. S 41 of the Procurement Act 2023 ("PA 2023") permits the Council to directly award a public contract without competition where a "direct award justification" (as set out at Schedule 5 of the PA 2023) applies. One such justification is where the goods or services to be supplied are strictly necessary for reasons of extreme and unavoidable urgency. Such urgency must be unforeseen and not attributable to any act or omission of the Council.
22. The financial collapse of the incumbent provider was unforeseen and certainly not attributable to the Council. The extremely short notice means that there was insufficient time to run a competitive procurement exercise. The Council therefore had very solid grounds to directly award a contract without competition.
23. ICES is a very complex service, and the market is in a state of flux in response to the financial collapse of one of the leading suppliers. A 3-year contract will allow sufficient time for the unplanned transition to a new provider, stabilisation of the service, commercial shaping of the wider equipment market, subsequent competitive tendering and mobilisation of longer-term ICES. A shorter contract would put increased risk on stakeholders and suppliers at a time when they are focussing on establishing, stabilising, and recovering multiple services. There would be significant commercial implications for taxpayers and the public purse, such as capital funding demands and significantly higher overhead / margin recovery from suppliers who need to recoup set up costs on a much shorter timescale.
24. In summary, the council had strong grounds for making a direct award in these circumstances.

Comments checked by: Jonathan Pool, Solicitor (Contracts)
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Staff Implications

25. The speed at which Millbrook scale up the new service is dependent on current NRS staff transferring over via TUPE (Transfer of Undertakings - Protection of Employment). We are working closely with Millbrook to mobilise the new service as effectively and efficiently as possible.
26. The transition to the new service and ongoing contract management will be managed by existing staff in the Commissioning, Procurement and Quality Improvement teams.

Equality & Inclusion Implications

27. The equality and inclusion implications have been considered. The ICES service supports the strategic priority to tackle inequalities in Oxfordshire, by delivering a service which supports vulnerable groups and helps them lead a better quality of life.

Sustainability Implications

28. ICES operates using a recycling credit model, wherein the Council receives credit for each piece of equipment that is reused. We have negotiated to increase this model to incentivise the provider to act sustainably and to reduce the Council's carbon footprint.

Risk Management

Risk	Impact	Likelihood	Mitigation
Financial pressure	Paying more than planned for community equipment	High	The commercial proposal from Millbrook was reviewed by our Finance and Procurement teams. As outlined in the paper, the proposal is less than we would pay for delivering an emergency in-house ICES. There are also opportunities to reduce costs in the longer term through consolidating catalogues and buying at scale with Buckinghamshire and Berkshire.
Disruption to service	Loss of critical services	High	Awarding the contract to Millbrook provided Oxfordshire residents with essential emergency equipment in the short term.

			<p>The Council and partners are working closely with NRS and Millbrook to ensure a smooth transition to the new service.</p> <p>Our contingency planning process also identified opportunities to support Millbrook to scale up the offer to a full equipment service as soon as possible.</p>
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Consultations

29. The Council engaged with the incoming provider at length prior to the direct award of the contract, conversations are ongoing with NRS and the appointed official receiver to handle the managed transfer of business.

Karen Fuller
Director of Adult Social Care

Annex: Nil

Background papers: Nil

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September 2025