

Report for: Cabinet Member for Health, Social Care & Wellbeing
Title: Community Equipment contract award and new Consortium arrangements.
Report authorised by: Taryn Eves Corporate Director of Finance and Resources
Lead Officer: Jo Baty, Director of Adult Social Services.
Jo.baty@haringey.gov.uk
Ward(s) affected: All
Report for Key/Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1. This report seeks Cabinet Member approval:
- 1.2. To award a Community Equipment contract to the proposed provider as named in the exempt report from 15th September for a one-year contract, with the options to extend for a further 2 years, as a 1+1 extension arrangement, for a total of up to 3 years. This will be at a cost of approximately £4.5million for the first year of the contract.
- 1.3. For the sum of £62,500 to be paid in respect of mobilisation costs.
- 1.4. To give delegated authority to the Corporate Director for Adults, Housing and Health to take all necessary decisions to enter into a partnership arrangement with seven other boroughs: Islington, Camden, Barnet, Brent, Harrow, Hammersmith & Fulham, and Hackney. While each borough will contract with the provider independently, the partnership—referred to as the North London Equipment Partnership—will support joint management of the provider relationship and shared commissioning approaches.

2. Cabinet Member Introduction

Not Applicable

3. Recommendations

Cabinet Member for Health, Social Care and Wellbeing to:

- 3.1. Approve the award of a Contract to the proposed provider identified in the exempt report for a maximum sum for year 1 of £4.5million in accordance with Contract Standing Order (CSO) 2.01. Cabinet approve awards of contracts valued at £500,000 or more) in accordance with CSO 0.08 (Decision which is required to be taken by Cabinet, may also be taken by the Leader or a Cabinet Member with the Leader's agreement). The new contract arrangement will be managed via a new Consortium arrangement with 7 other London Boroughs, known as the North London Equipment Partnership (NLEP).
- 3.2. Note that the contract will be for a period of 1 year with a 2-year extension period option (1+1). It is proposed the contract will start on 15th September 2025.
- 3.3. Approve the share of mobilisation costs estimated at £62,500 per borough.

- 3.4. Delegate authority to the Corporate Director for Adults, Housing and Health to take all necessary decisions to enter into a partnership agreement with the boroughs listed in paragraph 1.2 above to form the North London Equipment Partnership.

4. Reasons for decision

- 4.1. These urgent decisions are sought due to the need to ensure continuity of provision of Community Equipment services for residents, to ensure they are kept safe and fulfil the council's statutory responsibilities.
- 4.2. The Community Equipment Supplier, Nottinghamshire Rehab Ltd (trading as NRS Healthcare), went into compulsory liquidation on the 1 August 2025. Whilst PWC were appointed as the Special Manager to oversee the process, NRS Healthcare continued to operate (via Official Receiver and Special Managers), but with a reduced service to allow Local Authorities to identify alternative arrangements. Extensive work has been undertaken by the service to identify short- and medium-term opportunities to meet these requirements.
- 4.3. As a result of this work a preferred supplier arrangement has been identified for the provision of a 1-year contract with the options to extend for a further 2 years on a 1 + 1 basis. This provides the Council with the opportunity to continue exploring longer term options whilst meeting the essential need.
- 4.4. The proposal of entering a new consortium with another 7 boroughs, forming the North London Equipment Partnership (NLEP), provides an appropriate arrangement to secure and manage the contract. The new arrangement will be supported with a formal partnership arrangement between the 8 boroughs.

5. Alternative options considered

Option	Benefits	Drawbacks
Do nothing	Opportunity to achieve a saving	Delays in providing or repairing equipment can lead to serious harm, or death of residents, and can impede patient flow out of hospitals. This would be a significant reputational risk to the council. For these reasons this option is rejected.
Develop an in-house offer	This would enable the Council to have full control over the provision of the service in the future.	There is insufficient inhouse resource (including staffing, equipment and building capacity), expertise and time to set up an inhouse service to meet demand, and therefore this option would put vulnerable residents at risk. It is something that could be explored further in the future, including at the twelve-month break clauses in the proposed contract. For these reasons this option is not currently recommended.

Competitive procurement	This would ensure the Council achieves the best value for money	Procuring a service of this size and complexity would take a minimum of 18 months to procure competitively and in compliance with procurement law and the Council constitution. There is insufficient time to run a competitive procurement and meet the demand for equipment required to keep people safe and well. This is something that can be planned for the future. For these reasons this option is not currently recommended.
Utilising an existing framework agreement	This would provide a compliant way to secure a supplier through mini-competition or direct award pursuant of the framework agreement.	A number of existing frameworks have been explored. However, none was identified as suitable to meet the Council's needs. For this reason, this option is not recommended.
Direct award - recommended	<p>This enables the council to secure a suitable supplier for the provision of Community Equipment for vulnerable residents.</p> <p>This option secures an immediate solution for a twelve-month period, with options to extend, whilst longer-term options, as outlined above, are fully explored.</p>	

- 5.1. The recommended option is to directly award a contract to the proposed provider, The provider has the requisite skills and experience to safely manage this complex service, whilst further planning for longer term service provision takes place, as outlined in the above options appraisal.

6. Background information

- 6.1. This report is being submitted as an urgent report due to the significant detrimental impact on the vital interests of residents in the borough who require the ongoing provision of Community Equipment and due to the fast-paced nature of decision making required as a consequence of NRS Healthcare Limited (NRS), the Council's previous provider of Community Equipment, being placed into liquidation on 1 August 2025 and an Official Receiver and Special Managers being appointed. Community Equipment includes basic aids for daily living, through to complex equipment that supports a wide variety of health and social care needs.
- 6.2. The Council has been in contract with NRS (via the Official Receiver and Special Managers) on an interim basis since 1 August. The original framework agreement was commissioned by Westminster City Council (WCC) and the Royal Borough of Kensington and Chelsea (RBKC) in 2023 and is provided to 21 London boroughs through an informal co-operative arrangement which is referred to as the London Community Equipment Consortium ("the Consortium"). A separate report has been

submitted to the Cabinet Member requesting the approval for the termination of the NRS Healthcare contract.

- 6.3.** Community Equipment provides adults and children living at home with a range of vital equipment to support independence and early discharge from hospital. The equipment provided ranged from low-cost items, such as raised toilet seats and grab rails, to more costly items, such as specialist beds, hoists, pressure care equipment and mattresses. Most residents receiving equipment are aged 65 or over, but equipment is also provided to younger disabled adults and children. A wide range of equipment has been delivered to residents and in June alone 17,000 pieces of equipment was delivered to 2,500 residents. Services also include repairs, maintenance and collections of items.
- 6.4.** The Community Equipment Service is required to meet the Council's and the NHS's statutory duties (e.g., Care Act 2014, NHS Act 2006). The provision of community equipment delivers a range of outcomes to residents and the health and care system including:
- Reducing unscheduled hospital admissions and Accident & Emergency attendance.
 - Reducing the length of hospital stay by facilitating earlier hospital discharges.
 - Reducing the costs of long-term care by avoiding the need for care home admissions, or the need for, or frequency of, paid carers.
 - Promoting independence, safety, social inclusion, quality of life and improved end of life care.
 - Improving Early Year's development.
 - Supporting unpaid carers and parent carers.
- 6.5.** Community Equipment is vital across the health and care system and delays in providing or repairing equipment can lead to serious harm, or death of residents, and can impede patient flow out of hospitals. The failure to have a suitable provision in place places residents at significant risk.
- 6.6.** Since NRS Healthcare went into liquidation, the 21 London boroughs have been working rapidly to try to urgently mitigate the significant risks. This work has been supported by specialist input from legal advisors acting for RBKC and WCC, the Local Government Association, NHS England and ADASS (the Association of Directors of Adult Social Services).
- 6.7.** Part of the urgent risk mitigation has been to find an alternative provider. Haringey has put in place emergency temporary contracts and extended in-house service provision where possible, whilst looking for more sustainable medium-term solutions. The vulnerability of residents requiring equipment, coupled with the need to ensure there is a viable alternative contract in place by the 15th September 2025 and the lead in time required for the delivery, installation and maintenance of Community Equipment means this requires an urgent decision to ensure service continuity for residents.
- 6.8.** The Council has been working closely with the seven other London boroughs (Camden, Barnet, Islington, Hackney, Harrow, Brent, Hammersmith & Fulham) that have been most affected by the failure of NRS and have formed a new Consortium that has been named North London Equipment Partnership (NLEP). The Consortium has undertaken rapid market assessment and engagement to understand which

providers could mobilise an offer, in this extremely challenging context and within the limitations of what is permissible under the Council's constitution.

- 6.9.** The NLEP Consortium began discussions with the proposed provider who is a Local Authority Trading Company that provides a community equipment service. The company offered to work collaboratively with this new Consortium to develop and mobilise at pace a complete community equipment service (i.e. full breadth of service offer).
- 6.10.** The proposed contract with Haringey is for a minimum term of twelve months, with the option to extend by a further two periods of twelve months each. The Council has been advised that this initial term is essential to afford the proposed provider sufficient time to mobilise an offer across eight boroughs and work through the challenges of outstanding orders, stock items and complex datasets.
- 6.11.** The market for equipment services is extremely limited. There is believed to be only one other national supplier operating within London. That supplier indicated that they would only be able to provide a service for contract with a minimum duration of four years.
- 6.12.** In addition, other organisations were considered but were unable to offer a comprehensive service to meet all service needs.
- 6.13.** A number of boroughs outside of the new Consortium have in-house services, such as Croydon Council, but none of these boroughs are able to expand to provide a service to Haringey or the other Consortium boroughs.
- 6.14.** The Council has been able to commission a patchwork of short-term contracts to meet urgent and critical equipment needs, but these small providers are not able to offer a service at the scale or breadth of offer that is required to meet the full Community Equipment needs of the borough. Further, under these arrangements, prescribers have to navigate a number of different ordering systems and processes. It would not be good value for money to continue to operate in this way longer term.
- 6.15.** Failure to urgently secure a reliable supplier of critical equipment and aids to support vulnerable residents holds several significant risks for these residents, their families and carers. It also puts at risk the ability of the Council and of the NHS to meet certain statutory duties.
- 6.16.** Risks include:
- Detrimental impact on the health, safety and comfort of individuals, preventing them from living safely and as independently as possible at home.
 - Inability for residents to return home safely from hospital when they are ready for discharge causing unnecessary distress and adverse health implications for the individuals and their families and additional pressure on NHS services.
 - Significant reputational risk to the Council, who would be failing in their legal duty to provide these services.
- 6.17.** Risks and opportunities associated with the management of the contract include:
- Risk created by limited mobilisation time. This risk is being mitigated through close partnership working between the provider and the new Consortium,

alongside facilitated discussions with the NRS Special Managers and Official Receiver around equipment and data transfer.

- Risk of poor performance of the supplier during the contract period. This risk will be mitigated through close monitoring of the supplier. Further, the contract is a short-term twelve-month provision to ensure continuity of provision, with optional extensions available at the discretion of the Council.

6.18. Payment of the London Living Wage will be a condition of this contract.

6.19. The Council is working with the provider on open-book accounting principles to secure best value for money from this complex contract.

6.20. This report recommends the Council directly awarding a contract to the proposed provider to ensure Haringey residents have access to a community equipment service that is able to meet the health and social care needs of the borough. The other Councils in the consortium are each putting in place their own independent contractual arrangements, based on group negotiations.

7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes'

7.1. This links into the Adults, health and welfare' section of the Corporate Delivery Plan (2024-2026), which states the following: "This part of our Corporate Delivery Plan is about making sure that every adult in our community gets the support they need to live a good life, no matter what challenges they may face.

7.2. From staying healthy to getting the help residents need when times get tough, our services are here to support all. Our goal is to create a community where every adult feels valued, supported, and empowered to reach their full potential. Critical to this is taking an equitable approach, working hard to understand barriers and striving to address inequalities of access, experience and outcome.

7.3. Whether it's access to good quality leisure services or support and advice during the cost-of-living crisis, Haringey is committed to making sure that everyone can live their life to the fullest.

8. Carbon and Climate Change

8.1. The part electric fleet contributes towards the Haringey goals to; Promote Ultra Low emissions vehicles such as electric cars and hybrid vehicles.

9. Statutory Officers comments (Director of Finance (procurement), Director of Legal and Governance, Equalities)

9.1. Finance

9.1.1. The cost proposed in this report reflects the estimated annual costs of equipment ordered from the proposed provider through the contract together with the operating costs under the new contract.

9.1.2. This is an essential service that is required to meet the Council's statutory requirements. These estimated costs can be contained within the existing budget within Adult Social Care.

9.1.3. As with current practice, the costs of the contract will be met by a recharge to North Central London ICB for any items supporting health needs of equipment issued to individuals with the balance met from the Disabled Facilities Grant.

9.2. Procurement

9.2.1. The service under consideration is currently at the threshold for application of the Procurement Act 2023, which ordinarily necessitates a competitive tendering process prior to awarding a contract. However, Schedule 5 of the Act permits a direct award under specific circumstances, including Clause 13 – Urgency, where the goods or services are strictly necessary due to extreme or unavoidable urgency. This exemption precludes the possibility of a competitive procurement process. It applies only where such urgency:

- Is not attributable to any act or omission by the contracting authority, and
- Could not have been reasonably foreseen, as outlined in Clause 14 of the Act and the background of this report.

9.2.2. In this instance, the request is to award a contract for an initial period of one year, with the option to extend for up to two additional years.

9.2.3. Please see further comments in the exempt part of the report.

9.2.4. Strategic Procurement supports the proposed direct award, which may be approved in accordance with Contract Standing Orders (CSO) 2.01(c) and 0.08.

9.3. Director of Legal & Governance

9.3.1. The Director of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

9.3.2. The Community Equipment services are above the threshold where the tendering requirements as set out in the Procurement Act 2023 (the Act) apply. The Council is relying on the urgency provisions as set out in Section 41 and Schedule 5 of the Act to make a direct award to the proposed provider. One of the grounds as set out in para 13 of Sch 5 allows for a direct award in the following circumstances.

9.3.3. (13) Where—

- (a) the goods, services or works to be supplied under the public contract are strictly necessary for reasons of extreme and unavoidable urgency, and
- (b) as a result, the public contract cannot be awarded on the basis of a competitive tendering procedure.

9.3.4. The following criteria also apply to an award in these circumstances: For the purpose of paragraph 13, urgency is unavoidable if it

- (a) is not attributable to any act or omission of the contracting authority, and
- (b) could not have been foreseen by the contracting authority.

9.3.5. See further legal comments in the exempt part of the report.

9.3.6. The Cabinet Member has power to approve the award of contract under CSO 2.01 (c) (award of contracts valued at £500,000 or more) and CSO 0.08 (award by Leader or by Cabinet Member).

9.4. Equality

9.4.1. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

9.4.2. Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act

9.4.3. Advance equality of opportunity between people who share those protected characteristics and people who do not.

9.4.4. Foster good relations between people who share those characteristics and people who do not.

9.4.5. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

9.4.6. Although it is not enforced in legislation as a protected characteristic, Haringey treats socioeconomic status as a locally protected characteristic.

9.4.7. The proposed decision is to approve the award of the community equipment contract to the proposed provider. Following the termination of contract with NRS Healthcare the previous supplier who has been unable to meet service need. The protected characteristic most directly affected by this decision is disability, specifically the needs of disabled residents in Haringey.

9.4.8. This decision is essential to secure an alternative supplier capable of addressing the needs of affected residents.

9.4.9. If we do not appoint a replacement provider promptly, there is a risk of significant negative equality impact to disabled residents in Haringey. That said, the decision itself should have a neutral effect on equality outcomes, as it seeks only to replace an underperforming contractor and sustain the service standards the Council has previously delivered.

9.4.10. The new provider will be required to have due regard for the three aims of the public sector equality duty, stated above, in its capacity as an organisation undertaking a function on behalf of a public body.

10. Use of Appendices

10.1. Appendix A – Exempt Appendix

11. Background papers

11.1. N/A