

**Report of: Chief Officer Integrated Commissioning**

**Report to: Director of Adults and Health**

**Date: 22<sup>nd</sup> July 2020**

**Subject: Request to vary the contract awarded to Women’s Counselling and Therapy Service (WCTS) for additional funding of £107,535 for 9 months through the modification of the contract during their term under Regulation 72 (1b) (i) & (ii) of the Public Contract Regulations 2015 commencing 1<sup>st</sup> October 2020 (DN400877)**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary**

**1. Main issues**

- This report sets out a proposal to vary the existing contract with the Women’s Counselling and Therapy Service (WCTS) for an additional nine months at a cost of £107,505.
- Adults and Health currently has a contract in place with WCTS for the provision of counselling and therapy to women at a cost of £143,340 per annum. The current contract commenced on 1st April 2019 and is for 12 months with a six month extension period. The extension period has been invoked, meaning that the contract now expires on 30th September 2020. The total cost of this 18 month contractual period is £215,010.
- The original proposal was to undertake a Market Sounding Exercise (MSE) to gauge the potential range of competitors in the market, followed (if required) by a formal procurement process.
- However, due to the current market and uncertainty regarding COVID-19, many organisations have temporarily closed or pared back provision due to lack of business or furloughed staff. It was agreed that any MSE should be deferred until

C19 is on the decrease and “normality” is restored for businesses to operate once again.

- Due to the circumstances raised above, the option available now is to vary the existing contract under Regulation 72 of the PCR 2015 for a set period of nine months. Hopefully this period will see a return to normality for businesses within three to four months and the remaining period to oversee the procurement exercise that will firstly involve a MSE to identify suitability/market readiness.
- The procurement process could not be put in place now due to the lockdown when many of the organisations in this sector are operating limited services and some are having to furlough staff. To ensure the procurement process is fair and competitive, the extension will allow the service to be delivered whilst the country is in lock down providing support to women who will be in further stress and mental health crisis due to the pandemic.
- A variation is required to enable Working Age Adults (WAA) Commissioning Team to complete a competitive procurement exercise during the extended contract period and facilitate an appropriate mobilisation period.
- The funding envelope has been approved in light of the Council’s budgetary issues due to the critical nature of the service.
- As part of wider Council budgetary efficiency plans, future re-provisioning of this service will be subject to savings and efficiency plans.

## **2. Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

- The Best Council Plan (2015-20) provides the strategic plan for overarching vision for Leeds, including outcomes for the proportion of people who use social care services who have control over their daily life.
- The proposal in this report directly contributes to the Best Council Plan’s overarching vision of tackling poverty and reducing inequalities.
- The service makes significant contributions to a range of the City Priority Plans, but particularly the Health and Wellbeing Plan and its priority to make Leeds the best City for Health and Wellbeing by 2030. This is achieved through supporting clients to make healthy lifestyle choices and to live safely.

## **3. Resource Implications**

- The service is commissioned by Adults and Health and funding for this variation is being provided by Adults and Health.
- Adults and Health contribution to the contract value will be a maximum of £107,535. The provider also receives funding from the NHS Leeds Clinical Commissioning Group (CCG).
- As part of wider Council budgetary efficiency plans, future re-provisioning of this service will be subject to savings and efficiency plans.

- WCTS provide a very unique and specialist service to women, the majority of whom experience multiple disadvantage. The counselling and therapy offered is not available for this length of time through the NHS, and the WCTS service provides an essential complementary service that supports the wider mental health system in terms of avoiding A&E presentations and acute admissions. It could also be argued that this contributes to supporting women without the need to involve statutory social care.

## **Recommendations**

- a) The Director of Adults and Health is recommended to approve the modification of contracts during their term under Regulation 72 (1b) (i) & (ii) of the Public Contracts Regulations 2015 to vary the existing contract with Women's Counselling and Therapy Service (WCTS) for the provision of therapy and counselling support to women. This will commence 1st October 2020 and end on 30th June 2021 at a maximum cost of £107,505 for the period of nine months.

### **1. Purpose of this report**

- 1.1 The purpose of this report is to seek approval from the Director of Adults and Health to vary the contract with WCTS to provide an additional nine months under Public Contract Regulation 72 (1b) (i) & (ii). The total value for this nine month period would be a maximum of £107,505 commencing on 1<sup>st</sup> October 2020. The nine month period will be used to undertake a MSE to identify if the market is limited, and if it is not, to undertake a procurement exercise in line with CPRs.

### **2. Background information**

- 2.1 The counselling service offered by WCTS is a unique service commissioned by Adults and Health since 1983. It offers a free or low cost accessible counselling and psychotherapy service for Leeds women on low incomes. Venues are in the city centre and in communities around Leeds. The organisation's counselling and psychotherapy provision is commissioned by LCC to provide both group and individual therapy to women with moderate to severe mental health problems, often of long standing duration. The service describes clients as being traumatised and at high risk of self-harm or suicide. The service supports those with experience of inequalities including deprivation, poverty, discrimination, and marginalisation from services. WCTS's clients face multiple disadvantages and experience complex health and social situations.
- 2.2 The provider's monitoring data shows that they are working with a higher number of women than ever before; with more complexity. Due to the complexity presented by the women accessing WCTS, the women are unable to access the Improving Access to Psychological Therapies (IAPT) programme as it is not able to meet their needs as IAPT does not provide long term psychotherapy.
- 2.3 There are other counselling services available in Leeds but they do not provide the specialism for women offered by WCTS. Many of the women have experienced historical sexual abuse as well as multiple disadvantage.

- 2.4 Leeds does not have a rape crisis service and WCTS fulfils this role in supporting women who have been raped or experienced sexual violence. There is no other service in the city that offers this specialised counselling and support service for women.
- 2.5 During 2019/20 the Service worked with 141 women over the course of the year, including 108 assessments, significantly exceeding the target of 90 women. All women accessing the Service are on low incomes or live in poverty. 458 women accessed the service as a whole that is an increase on the average of 400 over the previous three years.
- 2.6 All women accessing the service are on low incomes or live in poverty, the numbers of women living in the most deprived areas of Leeds continue to increase. 59% in this year compared to 54% last year and 46% the year before. In 2019-20, 26% of clients live in areas in the lowest 3% of areas in multiple index of deprivation of England, a further 33% live in the lowest 10% of areas in the multiple index of deprivation. 31% of women consider themselves to live with a disability, compared with 25% last year and 20% the year before.
- 2.7 35% of all women using the service are from BAME communities. This is an increase from 30% last year. 17% who gave a response define as LGBTQ+ compared to 15% last year.

### **3. Main issues**

- 3.1 Adults and Health currently has a 12 (+6) month contract with WCTS for the provision of a counselling service and the current contract expires on 30th September 2020. The current contract was entered into following an approval to waive contracts procedure rules by the Director of Adults and Health on 14th March 2019. The provision to extend the contract for a further 6 months was invoked and the contract now ends on the 30th September 2020. The total value of the contract is £215,070.
- 3.2 The rationale for invoking the extension period to the current contract was to allow sufficient time to undertake a MSE for this service, given the services' unique specialism. This has not been possible due to the current global pandemic. The request for an additional nine months is to enable Officers to undertake a procurement exercise once the Leeds market has returned to some normality, and providers are able to respond.
- 3.3 The service commissioned with WCTS was fully reviewed by Adults and Health in February 2019. The review showed the unique nature of the service being provided and recommended that the provision continue to be commissioned. Data examined demonstrated that the service is working with a lot more women than they are commissioned to support and that service outcomes are very good. Stakeholder feedback sought during the review showed that the service is highly valued by other services and professionals within the city, and is viewed as being essential in supporting mental health pathways and also in meeting the mental health needs of women from marginalised groups.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 Service users and other stakeholders have been consulted through the service review which was undertaken in February 2019, and this feedback will inform the service specification and procurement exercise going forward. Feedback was overwhelmingly positive, with service users particularly appreciating the women only nature of the service. Stakeholders noted how effectively the organisation contributes to other provision within the city and works positively to reduce more acute mental health admissions.
- 4.1.2 Councillor Charlwood (Executive Member for Health, Wellbeing and Adults) will be briefed on the 9th July 2020.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening Assessment has been completed for this report, see Appendix 1. This will be submitted alongside the report for Delegated Decision Panel. The screening tool shows that it is highly unlikely that any protected group will be adversely impacted by the decision to extend the current contract, given that no changes will be made to the service at this time. The procurement exercise undertaken will have an accompanying full EIA completed.

### **4.3 Council policies and the Best Council Plan**

- 4.3.1 The Vision for Leeds (2011-2030) is to be the best city in the UK, one that is compassionate with a strong economy that tackles poverty and reduces inequalities. The WCTS outcomes have direct links to the Best Council Plan's outcomes and are reflected in the service delivery. The high level outcomes from the Best Council Plan are;

- Be safe and feel safe
- Enjoy happy, healthy, active lives
- Live in good quality, affordable homes within clean and well cared for places
- Do well at all levels of learning and have the skills they need for life
- Enjoy greater access to green spaces, leisure and the arts
- Earn enough to support themselves and their families
- Move around a well-planned city easily
- Live with dignity and stay independent for as long as possible

#### Climate Emergency

- 4.3.2 In order to support the Council stated ambition of working towards a carbon neutral city by 2030, the impact on the climate should be considered across all officer work. Through ongoing contract management, the provider will be encouraged to actively engage with the climate change agenda. Examples could include adhering to and working within the values of Council policy and guidance in relation to climate change, a reduction in carbon emissions through, for instance, decreasing private vehicle usage, using and/or investing in 'eco-friendly' resources.

#### 4.4 Resources, procurement and value for money

- 4.4.1 There is provision within the Adults and Health Directorate base budget to cover the cost of this service. The organisation receives a number of different funding streams for the services which they provide, including from NHS Leeds Clinical Commissioning Group (CCG) and independent charitable trusts. The multiple funding streams do make it challenging to make efficiency savings without directly impacting on the organisation's ability to deliver counselling and therapy services in the unique way they do.
- 4.4.2 Financial information has been provided to Officers in the form of a completed SCAF. The annual contract value for the LCC funded element of the service is £143,340.

<b>Expenditure</b>	<b>£</b>	<b>% of total</b>
Direct Staffing	102,881	72%
Direct Non-Staffing	16,369	11%
Business Support	18,438	13%
Overheads	5,651	4%
<b>Total</b>	<b>143,340</b>	

- 4.4.3 Direct staffing is the main area of contract spend at 72%, and overheads are kept very low at 4% which is positive. Basic unit costs were calculated at £54.30 per session. This figure was based upon 2640 sessions being delivered during 2019/20 (30 one to one sessions and 30 women in groups each week for 44 weeks).
- 4.4.4 It is difficult to accurately compare this session cost as there are no other specialist counselling services for women operating locally. At the time of the last service review, the review team compared the session cost (which was then £47.32) with the Personal Social Services Research Unit (PSSRU) Health and Social Care Unit Costs 2009. The nearest comparator was counselling services in primary medical care. Whilst the review team noted considerable difference between primary care counselling, this was the closest comparison. The unit cost based upon a 55 minute counselling session, was £42 per client contact. The PSSRU's most up to date information for 2018 includes details of the cost of each care contact for IAPT services (which includes counselling). This is £95 per care contact. WCTS's session cost of £54.30 compares favourably, especially given the very specialist nature of its counselling provision.
- 4.4.5 Significant added value for money is provided by the organisation's long standing history of working with this very complex client group, and the range of additional, complementary services which they also provide and which women can benefit from. The organisation is also part of strategic partnership work across Leeds, most notably their involvement with the Women's Lives Leeds consortium who deliver a range of services for women in the city.
- 4.4.6 The current contract and service offers value for money as it often exceeds its targets of the number of women supported in one year within the available budget. The inclusion of key performance indicators in the service specification should also improve performance and provides a mechanism by which the council, if necessary, can withhold payment where the service may not being delivered in accordance

with the service specification requirements, thereby further ensuring value for money.

- 4.4.7 The service will be subject to a competitive procurement exercise in 2021, and it is envisaged that through the re-modelling the procurement will aim to achieve further efficiency savings, subject to the outcome of the market sounding exercise.
- 4.4.8 The total cost for the nine month variation equates to a maximum of £107,505. The current contract value is £215,010 and the value of the variation is no greater than 50% of the current contract. The variation is deemed to represent value for money as the current provider has not received cost of living price uplifts during the life of the contract; therefore the Council can demonstrate value for money will continue to be achieved over the next nine months. The service will be subject to a competitive procurement exercise in 2021, and it is envisaged that through the re-modelling the procurement will aim to achieve further efficiency savings, subject to the outcome of the market sounding exercise.

#### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 This is a Significant Operational Decision which is not subject to call-in as the maximum cost of the service within this decision is less than £500K.
- 4.5.2 This report does not contain any exempt or confidential information under the Access to Information Rules.
- 4.5.3 The modification of contracts is governed under the Public Contracts Regulations 2015 at regulation 72. This considers the extent to which a contract may be modified before it should be considered so substantially changed as to necessitate a new contract. It also requires the consideration of the effect of cumulative variations. Therefore this needs to be considered in taking this decision.
- 4.5.4 The figures set out at paragraph 4.4.8 of this report show the value of the initial contract, and the proposed increase due to the request to vary the contract. Taking these figures into account, the modification of the contract by the addition of nine months equates to a 50% (£107,505) of the initial contract value.
- 4.5.5 The provisions of Regulation 72 (1b) (i) & (ii) provide an exception “where all of the following conditions are fulfilled:—  
Regulation 72 (1) Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases:—  
(b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—  
(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement; and  
(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract.
- 4.5.6 In making this variation the above conditions of Regulation 72 (1b) (i) & (ii) are deemed to be satisfied for the following reasons:

- (i) Would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract;
- (ii) The additional nine months is to cover the uncertainty of the market, to allow time to undertake a MSE and potentially a future procurement exercise: and
- (iii) The request to increase the price to vary the contract period by 9 months is 50% which does not exceed 50% of the value of the original contract. The additional funding does not change the overall nature of the contract.

4.5.7 In relying on this regulation, the Council will be required to send a notice to that effect for publication at EU level, in accordance with regulation 51. The Council will wait a minimum of 30 days from publication of the notice before entering into the variation. This gives any other market participants the opportunity to raise any queries or concerns in relation to the variation and reduces the chances of a successful challenge to this decision once the 30 day period has ended.

4.5.8 There is no overriding legal obstacle preventing the variation of this contract under CPRs 21.7 (variations) and the contents of this report should be noted. The percentage uplift of 50% is within the range permitted under Regulation 72 (1b) (i) & (ii) of the Public Contracts Regulations 2015. In making the final decision, the Director of Adults and Health should be satisfied that the course of action chosen represents best value for money.

## **4.6 Risk management**

4.6.1 The variation to the contract to continue for a further nine months will allow for service continuity during the period of the service being procured, commencing with an MSE.

4.6.2 The subsequent procurement exercise will be undertaken in a fair, open and transparent way and in adherence with the Public Contracts Regulations 2015 and the council's own Contracts Procedure Rules.

4.6.3 Project risks will be reviewed on a regular basis and the project team responsible for undertaking the review and subsequent procurement exercise will continue to do this during the procurement process.

4.6.4 As outlined above, there are significant risks associated with ceasing investment in this service. Disinvestment would place a significant amount of additional pressure on other mental health care and support services commissioned by both A&H and CCG partners, and will further disadvantage a vulnerable group of women who would struggle to access this type of specialist counselling provision elsewhere.

## **5. Conclusions**

5.1 The service provision is very unique and offers a vital service to women with longstanding mental health issues, the majority of whom have experienced multiple disadvantage and trauma.

5.2 The service offers value for money as its unit cost (£47.32 session cost) compares very favourably with other similar support provision (e.g. IAPT counselling at £95

per contact), and targets are consistently exceeded. Stakeholder and service user feedback is very positive.

- 5.3 The additional nine month period commencing 1st October 2020, will allow Adults and Health to undertake the procurement process, commencing with an MSE.
- 5.4. There are significant risks associated with disinvesting in this service. Namely, a direct impact on wider mental health pathways including acute statutory health provision, as well as a negative impact on a very vulnerable group of service users.

## **6. Recommendations**

- 6.1 The Director of Adults and Health is recommended to approve the modification of contracts during their term under Regulation 72 (1b) (i) & (ii) of the Public Contracts Regulations 2015 to vary the existing contract with Women's Counselling and Therapy Service (WCTS) for the provision of therapy and counselling support to women. This will commence 1st October 2020 and end on 30th June 2021 at a maximum cost of £107,505 for the period of nine months.

## **7. Background documents<sup>1</sup>**

- 7.1.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.