



City of Westminster

# Officer decision report

**Meeting or Decision Maker:**

Executive Director for Adult Social Care  
and Public Health

**Date:**

28 November 2024

**Classification:**

For General Release

**Title:**

Short term extension of current  
Westminster Complex Occupational  
Therapy contract for a period of one (1)  
month from 2 December 2024 – 1  
January 2025 and contract novation.

**Wards Affected:**

All

**Policy Context:**

Occupational Therapy (OT) services are  
short term, preventative interventions that  
enable residents to regain skills and  
continue living independently the  
community, preventing the need for more  
costly, institutional services..

The provision of OT in Westminster helps  
WCC meet the broad statutory  
requirements as set out in Part 1 c.23 of  
Care Act (2014) under duties and powers  
to meet need and help contribute towards  
the following two strategies - WCC Plan  
'Fairer Westminster' (2022-26) and the joint  
Health and Wellbeing Strategy (2023-  
2033)

**Key Decision:**

No

**Financial Summary:**

This report requests to extend the current arrangements from 2 December 2024 to 1 January 2025

The maximum cost of the contract extension requested is £37,000 ex VAT

**Report of:**

Bernie Flaherty

Executive Director for Adult Social Care and Public Health

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## **1. Executive Summary**

- 1.1. This report seeks approval for a short-term extension of a contract for a Complex Occupational Therapy service for Westminster residents.
- 1.2. The period requested is from 2 December 2024 - 1 January 2025.
- 1.3. The maximum cost of the requested extension is £37,000 ex VAT (44,400 inc VAT)
- 1.4. The current service is being provided by Nottingham Rehab Limited under a contract with its subsidiary company, NRS Healthcare Limited. The current contract is due to expire on 1 December 2024.
- 1.5. A procurement exercise to appoint a suitably qualified provider for the delivery of a new Complex Occupational Therapy contract was successfully conducted in July 2024.
- 1.6. Nottingham Rehab Limited are the recommended supplier of the new contract. The new contract is planned to commence on 1 January 2025, for a period of five years, with an option to extend for a further two years.
- 1.7. The award of the new contract is currently going through internal governance processes.
- 1.8. An extension of the current arrangements from 2 December 2024 to 1 January 2025 is requested to allow for this decision to be made and implemented.
- 1.9. This report also seeks to novate the current contract from the non-trading subsidiary company NRS Healthcare Limited to Nottingham Rehab Limited, the parent company which has been delivering the services under the contract.

## **2. Recommendations**

- 2.1. It is recommended that the Executive Director for Adult Social Care
  - 2.1.1. Approve the extension of the contract for the delivery of Complex Occupational Therapy Services with NRS Healthcare Limited (company number 11480843) for a period of one (1) month from 2 December to 1 January 2025 at a total cost for the extension of £37,000 ex VAT (£44,400 inc VAT).
  - 2.1.2. Approve the novation of the current contract for Complex Occupational Therapy services for Westminster residents from

NRS Healthcare Limited (company number 11480843) to Nottingham Rehab Limited (company number 01948041).

### **3. Reasons for Decision**

- 3.1. The Council has a statutory duty under the Care Act 2014 to deliver a better response to individuals to prevent, delay and reduce people's dependency on long term Adult Social Care.
- 3.2. Adult Social Care Occupational Therapy is a preventative service that focuses on helping people with daily activities and accessing their homes and prevents or reduces costs further down the patient journey.
- 3.3. The current contract is due to expire on 1<sup>st</sup> December 2024.
- 3.4. A short-term extension of the contract for one (1) month until 1 January 2025 is needed to ensure service continuity whilst governance processes are completed to award a new contract to the preferred supplier.
- 3.5. It is requested to novate the contract from NRS Healthcare Limited to Nottingham Rehab Limited (company number 01948041) as it appears that the contract was entered into with NRS Healthcare Limited in error: throughout the contract period the services have always been delivered by Nottingham Rehab Limited; Nottingham Rehab Limited employ the staff who deliver the services; and NRS Healthcare Limited is non-trading, dormant company which is the subsidiary of Nottingham Rehab Limited.
- 3.6. The contract will be novated on the existing terms and conditions taking effect from commencement of the contract (2 December 2022).

### **4. Background, including Policy Context**

- 4.1. In WCC rather uniquely to other boroughs, Complex Occupational Therapy provision has been outsourced since 1998. The service provides skilled and professional assessments of service users in their own homes, carried out by trained and qualified Occupational Therapists.
- 4.2. The delivery of this service helps WCC meet the broad statutory requirements as set out within the Part 1 c.23 of Care Act (2014) under duties and powers to meet need and as such are part of ASC portfolio of preventive provision which reduces costs further down the patient journey. This helps to contribute towards the wider strategic commitment of the following two strategies - WCC Plan 'Fairer Westminster' (2022-26) and the joint Health and Wellbeing Strategy (2023- 2033).

- 4.3. The current contract was directly awarded to NRS Health Limited for the period 2 December 2022 to 1 December 2024 with no option to extend. The services under the current contract are being delivered by Nottingham Rehab Limited (parent company to NRS Health Limited).
- 4.4. A competitive process tendering exercise has been undertaken under the Provider Selection Regime to identify a new supplier. Following evaluation of tenders, Nottingham Rehab Limited are the preferred supplier for the future contract.
- 4.5. A short-term extension for one (1) month until 1 January 2025 is needed so internal governance around award of the new contract can be completed.
- 4.6. The maximum cost of the one month's extension is £37,000 ex VAT (£44,400 inc VAT).
- 4.7. Prior to the current contract, the services were directly awarded to Able 2 Occupational Therapy Services Limited for the period from 1 June 2021 to 30 November 2022 (including a 6 months option to extend). This contract was novated from Able2 to Nottingham Rehab Limited in June 2022.
- 4.8. NRS Healthcare Limited are a non-trading subsidiary of Nottingham Rehab Limited who are the trading and employing body. Although the current contract is with NRS Healthcare Limited the services have actually been provided by Nottingham Rehab Limited who also employ the staff to provide the services.
- 4.9. This report seeks approval to novate the contract on existing terms and conditions in order to regularise the contractual arrangements.

## **5. Financial Implications**

- 5.1. The short-term extension of the current contract from 2 December 2024 to 1 January 2025 will incur a maximum cost of £37k excluding VAT (£44.4k including VAT). This cost is already accounted for in the forecast for the current financial year.
- 5.2. However, the budget allocated for the Complex Occupational Therapy service is £371k, while the forecasted expenditure for the year is £401k, indicating a financial pressure of £30k. This overspend is primarily due to increased activity levels, with the average monthly cost being approximately £37k.
- 5.3. There is no further headroom within the overall budget for an increase in expenditure without the appropriate cashable savings being established to offset.

## **Savings**

- 5.4. There are no savings expected to be delivered from this extension. However, the directorate is required to achieve financial efficiencies of £60k for FY 24-25 in cost centre W21300 as part of the Council's medium-term financial planning and across the duration of the new contract period.

## **6. Legal and Governance Implications**

- 6.1. The recommendation in this report is to approve the novation and short-term extension of the existing contract for the provision of complex occupational therapy services to Westminster residents.

### *Proposed Extension*

- 6.2. The proposed extension of the contract amounts to a variation of the contract both under the Public Contract Regulations 2015 and the Council's Procurement Code. As the original contract was procured under PCR, the provisions of the PCR will apply to any variation of it.
- 6.3. The value of the original is c. £850k ex VAT and the value of the proposed variation is £37,000 (ex VAT).
- 6.4. When considering making a variation to a contract, the Council must comply with the provisions of the Public Contracts Regulations 2015 (PCR). Regulation 72 of the PCR sets out the requirements for when a contract may be modified or varied without a new procurement procedure being undertaken.
- 6.5. The variation proposed in this report is permitted under Regulation 72((1)(f) which allows for a modification where the value of the modification is below the relevant PCR threshold and is less than 10% of the initial contract value. Both these requirements are met in this instance.
- 6.6. Under the paragraph 5.2.4 of the Council's Procurement Code minor variations, which are not substantial, and which are permitted under PCR can be approved by the appropriate CLT member.

### *Novation of Contract*

- 6.7. The current contract is with a non-trading, dormant company. It is advised that, at the same time as the contract is extended, the contract is novated from NRS Healthcare Limited to Nottingham Rehab Limited
- 6.8. This novation should be effective from the commencement of the current contract. This mean that the contractually arrangements accurately reflect the delivery of the services.

## **7. Climate Impact**

- 7.1. No carbon impacts have been identified as a result of this proposed extension to Nottingham Rehab Limited who are also the preferred supplier for the future Complex Occupational Therapy Contract.
- 7.2. Environmental social value commitments and contribution towards carbon reduction were tested as part of the tender process. The preferred supplier has committed to broad intentions which will be more clearly defined in terms of numbers and included in the contract. This will ensure the organisation can be held accountable for the implementation and running of the agreed upon climate initiatives.

## **8. Equalities Implications**

- 8.1. There will be no equalities impacts as a result of this short direct award.
- 8.2. The incumbent provider is the preferred supplier for the new contract. The service is statutory provision and there are no changes to access criteria. If a service user's needs require complex OT, they will receive a service.
- 8.3. An equalities impact screening was undertaken on the outcome of the retender of the contract. It identified that there would be no negative impacts and a full EqIA was not required.

## **9. Procurement implications**

- 9.1. This extension is compliant with WCC's procurement regulations.
- 9.2. The extension is required to fill in for the time where the supplier would be working without a contract. This is the only way to avoid this as the new contract will not be in place in time to cover this period.
- 9.3. The tender exercise was under the new PSR regs which had a risk around slippage which this extension falls under.
- 9.4. The group working on the contract did as much as they could to avoid any slippage but were working with new regulations (PSR).
- 9.5. Should this extension not be granted, the supplier will be working without a contract or there would be a gap in service.
- 9.6. It is recommended that this extension be granted to cover period the new contract is being implemented.

- 9.7. There is a supplier who will be awarded the contract after going through an open tender process under the new PSR regulations.
- 9.8. We are near the end of the governance process for the new contract award however, the governance process needs to be followed and is currently outstanding. We are awaiting cabinet approval.

## 10. Consultation

- 10.1. No consultation was undertaken with residents with regards to this short-term extension with a proposed contract duration of one (1) month.

**If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:**

Insert report author contact details here

## APPROVED BY

Title	Date sent	Date approved
XYZ, Officer in whose name the report is submitted		
XYZ, Finance	ZN	22.11.24
CT, Legal (should always be the final approval and no changes should be made after legal approval)	CT	28.11.24
XYZ, Governance	RC	27.11.24
XYZ, Procurement (if required)		

## APPENDICES

### LIST APPENDICES ABOVE BACKGROUND PAPERS

### BACKGROUND PAPERS

- Background papers should list the documents on which the report author has relied in compiling the report.



- Confidential background papers (i.e. papers not available for public inspection) should have an asterisk against them and an indication of the grounds for exemption

*NB: For individual Cabinet Member reports only*

For completion by the **Cabinet Member** for (add portfolio title)

**Declaration of Interest**

I have <no interest to declare / to declare an interest> in respect of this report

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
NAME: **[add Cabinet Member's name]** \_\_\_\_\_

State nature of interest if any:

*(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)*

For the reasons set out above, I agree the recommendation(s) in the report entitled

**INSERT REPORT TITLE** and reject any alternative options which are referred to but not recommended.

Signed: \_\_\_\_\_  
Cabinet Member for (add portfolio title)  
Date: \_\_\_\_\_

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Monitoring Officer and Section 151 Officer (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the

criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

