

TITLE	Optalis Contract Renewal 2022
FOR CONSIDERATION BY	Council on Thursday, 17 February 2022
WARD	None Specific;
LEAD OFFICER	Director, Adult Social Care and Health - Matt Pope
LEAD MEMBER	Executive Member for Health, Wellbeing and Adult Services - Charles Margetts

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

Optalis have been the Council's Local Authority Trading Company (LATCo), delivering Adult Social Care Services in the borough for the last 10 years. Optalis is jointly owned by the Council and the Royal Borough of Windsor and Maidenhead (RBWM), who took the decision to join Optalis in 2017. Our intention for the partnership is to continue to develop a social care company of choice, securing continuous improvement in the delivery of services and maximise the retention and stability of the workforce.

To support this direction, we have renegotiated a new shareholder agreement for the company that brings significant benefits to the Council. Because of these benefits and the success of the company we wish to renew our contract with Optalis.

Continuing the contractual arrangement with Optalis Ltd will enable the Council to embed success and deliver more positive changes, led by the development of the new Optalis Ltd Board. New governance arrangements will include the Directors for Adult Social Services for Wokingham Borough Council and the Royal Borough of Windsor and Maidenhead, with the Executive Lead Members for both councils who oversee adult social care, and the Chief Executive Officer (CEO) of Optalis Ltd all appointed as board members.

The main policy driver for the work of Adult Social Care is The Care Act (2014). The Care Act (2014) is the legislative framework providing Duties and Powers that all Local Authorities must adhere to. The key emphasis of The Care Act (2014) is to support prevention; to promote well-being; and to offer choice and control.

In December 2021 the government released People at the Heart of Care. This sets out the governments ambition over the next 10 years and how it intends to transform support and care in England from October 2023. The new relationship set out in the Shareholders Agreement will enable WBC to work more closely with Optalis and manage the future challenges with the reform.

Our ambition is for Wokingham Borough to be one of the best boroughs for adults and carers in need of support to live, where they feel safe, included and a key part of our community. Our Adult Social Care Strategy 2020-25 sets out the approach to successfully achieve this aim whilst making sure people realise the desired outcomes that are important and personal to them. The priorities set out in the strategy contribute to the Vision of the Wokingham Borough Corporate Delivery Plan 2020-24 to make the

borough a better place to live, learn, work, and grow and a great place to do business, and more specifically the priority 'Safe, Strong Communities'.

The Council is asked to approve the Procurement Business Case for a re-award of contract for Adult Care Services to Optalis Ltd.

Wokingham Borough Council wishes to continue the benefits of the arrangement with Optalis, and it is in the residents' interest to work with them to grow and develop new services in the local area. The renewed contract is planned to commence 3rd April 2022 for an initial period of 24 months. Thereafter, the contract continues until 2nd April 2027 unless the Council terminates the contract on 12 months' notice. Further, this report details the future joint ownership arrangements between the joint shareholders which will be in effect during the period of the contract for services.

The contract annual value exceeds £5 million requiring approval from Full Council, as stated in our Procurement and Contracts Rules and Procedures.

The direct award to Optalis is in accordance with the requirements of Regulation 12 of the Public Contract Regulations 2015 ("PCRs 2015") regarding Teckal arrangements.

RECOMMENDATION

That the Council:

- 1) approves the attached procurement business case to renew the contract to Optalis;
- 2) delegates authority to the Director of Adult Services, in consultation with the Lead Member for Adult Services to:
 - a) approve and complete the contract with Optalis for £7.3mil – 2022-23; and
 - b) undertake all activities required to complete the joint ownership arrangements between RBWM and the Council as set out under the heading 'Future Arrangements' below.
- 3) delegates jointly to the Director of Adult Services and the Director of Resources and Assets authority to add to and remove services within Optalis during the term of the contract provided that in each case, up to the total value of £500k:
 - a) the budget for the costs of the services has already been approved as part of the agreed Council Budget;
 - b) the business case has been approved by both Directors;
 - c) the Executive Member with responsibility for Adult Services and the Executive Member with responsibility for Finance have been consulted.
- 4) notes the shareholders agreement.

EXECUTIVE SUMMARY

Optalis deliver four CQC-regulated services in the borough which are all rated as 'good' and three unregulated services, including the Supported Employment Service which is

currently ranked as 2nd in the country for supporting people in receipt of care services with a Learning Disability to gain and maintain employment.

Optalis is the 'provider of choice' and the 'provider of last resort' to the Council, meaning if an independent sector provider fails, Optalis will be able to support the Council by stabilising the situation and ensuring the customers are safe. The current contract with Optalis is due to expire 2nd April 2022.

Further details for the services delivered under the current contract and to the additional services are as follows:

Current Services:

- Four Extra Care Schemes:
 - Accommodation that provides enhanced care and support for older people and vulnerable adults who have increased care needs
- Independent Supported Living for people with Learning Disabilities:
 - The Services provide tenancy-based 'background support' (i.e. domestic services, catering, emergency call-out support) and a sleep-in night service to customers within self-contained flats/bungalows at both sites. Some properties also provided regulated care services for residents with higher level needs.
- START reablement service:
 - Short-term care at home, to aid recovery after discharge from hospital
- Supported Employment Service
 - The Service will provide personalised Supported Employment support to adults living in Wokingham with a mental health need, a learning disability, physical disability, substance misuse issues or caring responsibilities.
- Suffolk Lodge Care Home:
 - Accommodation and 24-hour care for people living with dementia who cannot be cared for in their own home.
 - The Service also offers respite and emergency respite services, subject to a managers assessment, to assist carers in their caring role for a period of up to 6 weeks
- Day Services for people:
 - Activity opportunities for people with physical and learning disabilities.

The renewed Optalis contract will also include additional services:

- Two houses for young people with a Learning Disability transitioning to adulthood
- A supported living accommodation service for people with Learning Disabilities
- Learning Disability Respite unit

Further, this report details the revised ownership arrangements between the joint shareholders which will be in effect during the period of the contract for services. The key elements of these arrangements are

- Simplified governance
- Continuity and stability of services to our residents
- Greater control the Director of Adult Services and Executive Member becoming members of the Optalis Board
- Fairer and more transparent split in central costs
- Coterminous contract length
- Agreed exit arrangements

- Equal ownership
- Shared strategic direction
- Separation of operations with the ability to join with RBWM if beneficial

BACKGROUND

Wokingham Borough Council has statutory duties under The Care Act 2014 to support prevention; to promote well-being and independence; and to offer choice and control to adults entitled to statutory social care services and support.

The Adult Social Care Strategy 2020-25 details that the Council will:

- Prevent, reduce and delay the need for formal care and support
- Improve people's health and wellbeing, focusing on prevention and self-help whenever possible
- Use a Community-led model of support, which focuses on people's strengths and community networks
- Reduce isolation and loneliness, so people can live happier and more independently for longer
- Support carers to enable them to continue in their much valued role
- Maximise independence and support people to learn the skills they need for daily living
- Increase use of technology and adaptations to support greater independence, for example alarms and sensors and smart technology

Optalis has been our Local Authority Trading Company (LATCo), delivering our Adult Social Care Services in the borough for the last 10 years. Optalis provide excellent quality services for our residents, whilst playing a key role in developing and improving our approach to shaping the care services available in the borough. The successes we have jointly achieved with Optalis over the last 10 years have set us on a strong path to meet our priorities set out in our Adult Social Care Strategy and to achieve our aim to be one of the best boroughs for adults and carers in need of support to live, where they feel safe, included and a key part of our community.

The Council wishes to continue the benefits of the arrangement with Optalis, and it is in the Council's interest to work with them to continue to grow and develop new services in the local area.

Optalis is jointly owned by the Council and the Royal Borough of Windsor and Maidenhead (RBWM). This ownership gives the Councils control over quality, delivery, and the strategic direction of the services. The key objective of the partnership is to protect and develop high quality services for our vulnerable residents.

The Shareholders Agreement, originally created in 2017, details how the governance and financial arrangements work, how decisions are made and how the impacts of changes are shared between the Councils. The Agreement sets out the shared intention to develop a social care company of choice, secure continuous improvement in the delivery of services and maximise the retention and stability of the workforce, however, both councils consider the 2017 agreement to be, in part, unrepresentative of the respective focus, commitment, and aspirations for the company. Therefore, a new shareholder agreement has been produced.

The contract for services will be in place for a minimum of 2 years (£7.3mil for year 1 and £7.2mil for year 2). After that date the Term can continue until 02 April 2027 and each council has a right to terminate on 12 months' notice after the initial 2-year period.

BUSINESS CASE

The Business Case is provided as a standalone document supporting this paper.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	
Next Financial Year (Year 2)	£7.3mil. plus inflation, as agreed through the MTFP process	Yes	Revenue
Following Financial Year (Year 3)	£7.2mil. plus inflation, as agreed through the MTFP process	Yes	Revenue

Other Financial Information

Optalis is the Local Authority Trading Company jointly owned by Wokingham Borough Council (WBC) and Royal Borough of Windsor and Maidenhead (RBWM). This means that any financial surplus generated through operations is returned to the Councils as shareholders for further investment in local services.

Stakeholder Considerations and Consultation

None required

Public Sector Equality Duty

Equalities Impact Assessment completed and enclosed.

Climate Emergency – This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030

There will be no negative impact on the Council's carbon neutral objective.

List of Background Papers

- Procurement Business Case
- EQIA
- [Adult Social Care Strategy 2020-2025](#)
- Optalis Shareholders Agreement

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