



In accordance with the Procurement and Contracts Rules and Procedures (PCRP) (see section 3.1.1): a formal business case is required for any procurement with a total value above £50,000. The level of approval required for the Business Case depends on the type of procurement and total ascertainable value of the contract, as indicated in the table below:

**1. Level of Approval**

State “YES” in the applicable box at either Level 1, Level 2 or Level 3:

Type of Procurement	Level 1		Level 2		Level 3	
	Assistant Director & Director Approval		Executive Approval		Full Council Approval	
Goods and Services	£50k – £500k		> £500k		Annual Value >£5m or TAV >£25m (if capital >£15m)	YES
Schedule 3 Services	£50k – £663k		> £663k			
Works	£50k – £4,733k		> £4,733k			

**NOTE:**

Executive meetings (Level 2) are held each month but the submission of papers is strictly controlled, resulting in a cycle of at least 6-weeks – speak to Democratic Services for assistance.

Full Council meetings (Level 3) are held every second month and submission of papers is controlled as per Executive meetings – speak to Democratic Services for assistance.

**2. Project Information**

<b>Project / Contract Title</b>	Optalis Contract and Shareholder Agreement Renewal
<b>Project / Contract Description</b>	Renewal of contract for Adult Provider Services with Optalis Ltd.
<b>Expected Start Date &amp; Duration (months)</b>	Initial term 03/04/2022 - 24 months
<b>Any Extension/s Allowed (months)</b> <i>(e.g.: 1 x 24m / 1 x 12m + 1 x 12m)</i>	Continues after 02/04/24 unless 12 months notice to terminate has been served. The absolute end of the contract is 02 April 2027 (co-terminus with the RBWM contract for services)
<b>Total Ascertainable Value</b>	<p>Contract value for 2021-22 is £7.5 million.</p> <p>Inflation will be awarded in line with the MTFP.</p> <p>In addition to the current contract value there are future plans for enhancements to the contract:</p> <ul style="list-style-type: none"> <li>Two houses for young people with a Learning Disability transitioning to adulthood</li> </ul>

	<ul style="list-style-type: none"> <li>• A supported living accommodation service for people with Learning Disabilities</li> <li>• Learning Disability Respite unit</li> </ul>
<p><b>Procurement Advice</b>  <i>Provide a short summary of the advice or attach/append any written advice you have obtained, including the type of procedure, Brexit considerations and if the BC is for setting up of DPS or framework agreement.</i></p>	<p>The contract will be awarded in accordance with the requirements of Regulation 12 of the Public Contract Regulations 2015 ("PCRs 2015"). This Regulation codified 'Teckal arrangements' which had been established previously by case law. Regulation 12(1) provides an exception to the requirement that a contracting authority (i.e. the Council or Councils) complies with the PCRs 2015 when awarding a public contract.</p> <p>Optalis exists as a Local Authority Trading Company (LATCo) and therefore the 'Teckal exemption' applies.</p> <p>This allows us to directly award business without the need of carrying out a full tender process. However, the Council must throughout the duration of the Council exert sufficient control and influence over Optalis to comply with the conditions to the 'teckal exemption'.</p> <p>The Council has maintained this exemption throughout the current contract but has made recent changes to ensure that this control and influence is directly applied to the company.</p>
<p><b>Finance Advice</b>  <i>Confirm budget availability and add any comments relevant to the budget.</i></p>	<p>To provide statutory Adult Social Care Services budgeted through the Medium-Term Financial Plan (MTFP) process.</p>
<p><b>Source of Funding</b>  <i>(revenue or capital or specified other)</i></p>	<p>Revenue</p>
<p><b>If procurement is for software, specify outcome of your consultation with IMT and/or Business Change</b></p>	<p>NA</p>

### 3. Project Justification

Optalis has been our Local Authority Trading Company (LATCo), delivering our Adult Social Care Services in the borough for the last 10 years. Optalis has the benefits associated with being independent from the Council but simultaneously give the Council the same protections as if the service was directly employed. For example, the Council has joint controlling influence over the decisions made within the company and Optalis acts as the provider of last resort. The Council wishes to continue the benefits of the arrangement we currently have with Optalis and work with them to grow and develop new services in the local area.

Optalis is 100% publicly owned by the Council and the Royal Borough of Windsor and Maidenhead Council, who took the decision to move adult statutory services to Optalis 4 years ago. This ownership gives the Councils complete 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 sets out the relationship between the Council and the Royal Borough will participate in the company as shareholders. The contract, expiring 2<sup>nd</sup> April 2022, specifies the terms of the services delivered by Optalis for Wokingham Borough Council.

Optalis deliver four CQC-regulated services in the borough which are all rated as 'good' and three unregulated services, which includes the Supported Employment Service which is currently ranked as 2<sup>nd</sup> 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 services managed by Optalis for Wokingham Borough Council are:

- Four Extra Care Schemes
- Independent Supported Living for people with Learning Disabilities
- START reablement service
- Supported Employment Service
- Suffolk Lodge Care Home
- Day Services for people with physical and learning disabilities.

Other initiatives include the specialist Peripatetic Team, created this year working in partnership with WBC to support local providers to deliver safe and effective care by trained and experienced staff. The team have the flexibility to stay involved for as long as required, meaning they can respond to local needs and demands in an agile and effective way.

#### Future Arrangements

The decision to renew our contract to Optalis is linked to changes within the company and the Council's relationship with the joint owner, the Royal Borough of Windsor & Maidenhead ('RBWM'). The changes are beneficial to both parties and secure financial and governance benefits to the Council.

#### **Link to Service or Corporate Objectives:**

The current and planned future arrangements support us in achieving the priorities set out in the Adult Social Care Strategy 2020-25, which details 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

The services delivered by Optalis contribute to the Vision of the Wokingham Borough Corporate Delivery Plan 2020 – 2024 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’, which details:

We will work with our partners to:

- Protect and safeguard our children, young and vulnerable people.
- Offer quality care and support, at the right time, to reduce the need for long term care.
- Nurture our communities; enabling them to thrive and families to flourish.
- Ensure our Borough and communities remain safe for all.

Our current agreement with Optalis supports Wokingham Borough Council’s aim to be more commercially minded and to achieve Value for Money in our contractual arrangements.

Further, Optalis supports the Council in meeting and delivering our statutory obligations as stated in the Care Act 2014.

### **Project Specific Objectives, Appraisal of Options and Project Timetable:**

#### Options appraisal

##### **Recommended option - Option 1: Award contract to Optalis.**

Contract will continue with its current arrangement which includes the option of requesting further services are delivered by Optalis to the Council.

This allow Optalis the opportunity to continue to grow and develop services in response to current and future demand. From its inception, there has always been an ambition for Optalis to pursue sustainable growth, this growth provides resilience to the company, enhances its’ reputation and influence in the market and allows flexibility to respond to current and future customers growing and changing needs. However, growth needs to be carefully managed so that there is no impact on the quality of the service or other services within Optalis. Taking on new services will spread the overhead cost and return better value for money.

##### **Option 2: Go to full tender for each service.**

This is not considered to be an option as the Council will lose control over how the delivery of care is discharged if the services were delivered by other providers. In addition, changes to services are more difficult to manage and often involve a commercial charge. The Council would not benefit from the competitive rates offered by Optalis and would lose any financial surplus including the opportunity of lower associated centralised or management costs. Changing of providers would pose a risk to the individuals in receipt of these services currently, especially as the alternative options are not known. The Council is reliant on Optalis for large parts of the care market for older people and those with learning disabilities. The Council would need to re-provision this with alternative providers. Residents are happy with the service from Optalis and the loss of a large local provider would cause distress to vulnerable people and their families/carers

##### **Cost Benefit Analysis:**

Optalis has been our Local Authority Trading Company (LATCo), delivering our Adult Social Care Services in the borough for the last 10 years. Optalis has the benefits associated with being independent from the

Council but simultaneously gives the Council the same protections as if the service was directly employed. For example, the Council has joint controlling influence over the decisions made within the company and Optalis acts as the provider of last resort. 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 grow and develop new services in the local area.

From 2021 to date we achieved savings of £1.5 million through the MTFP. By 2023-24 future savings of over £4.2 million have been identified through the MTFP process. There are potential future opportunities to achieve cost benefits with the delivery of new services and due to benefitting from economies of scale.

**Contract Management:**

The current contract management arrangements will continue with the new contract, which includes key performance indicator reporting and a partnership meeting taking place on a monthly basis.

The Council has allocated resource within the Strategy and Commissioning Service to carry out commissioning and contract management responsibilities.

The Council and Optalis work closely on development projects and Optalis representatives regularly attend working groups, projects board meetings and are a member of our Adult Social Care Leadership Team.

**4. Approval**

*Please fill in the applicable fields according to the level of approval required.*

***Note: If Level-2 or 3 approval is required, the document should be signed by Assistant Director and Director at Level-1 first, and then presented to the Executive (and Full Council where appropriate) for final approval.***

**Level 1**

<b>Position</b>	<b>Name</b>	<b>Department</b>	<b>Signature</b>
<b>Assistant Director</b>	Wesley Hedger	Strategy and Commissioning	
<b>Director</b>	Matt Pope	Adult Services	

**Level 2**

***NOTE: Level 1 approval must be completed first.***

***Please state the date of the relevant Executive meeting or Individual Executive Member Decision at which the Business Case has been approved.***

	<b><i>Date of Executive meeting / approval</i></b>	<b><i>Item No</i></b>
<b>Executive Approval</b>	<b>On agenda for 27<sup>th</sup> January 2022</b>	

**Level 3**

***NOTE: Level 1 and 2 approval must be completed first.***

***Please state the date of the relevant Full Council meeting at which the Business Case has been approved.***

	<i>Date of Full Council meeting / approval</i>	<i>Item No</i>
<b>Full Council Approval</b>	<b>On agenda for 17<sup>th</sup> February 2022</b>	