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| TITLE | Optalis Contract |
| FOR CONSIDERATION BY | The Executive on 18 February 2016 |
| WARD | None Specific |
| DIRECTOR | Stuart Rowbotham, Director of Health and Wellbeing |
| LEAD MEMBER | Julian McGhee-Sumner, Executive Member for Health and Wellbeing |

OUTCOME / BENEFITS TO THE COMMUNITY

People who use Social Care services experience increased choice and control when purchasing with personal budgets. Without Optalis (a Council owned company) that choice would be reduced and limited. Optalis offer people with personal budgets dependability, a well-managed and qualified social care workforce and genuine choice.

The Council, and people who use the Council's services also have an established provider of last resort, a contingency that would otherwise not be available in the event of market failure.

RECOMMENDATION

That the Council issue a new contract to Optalis from 1 July 2016 for a period of up to five years.

SUMMARY OF REPORT

This report sets out a recommendation to issue a second contract to Optalis, to provide services on behalf of Wokingham Borough Council.

The report identifies the benefits of contracting with Optalis for the services listed in the new contract.

Background

Wokingham Borough Council undertook a radical decision in how it operated and how it supported residents within Wokingham during 2011. The Council created its own Adult Social Care Local Authority Trading Company, originally called Connect Community Care, which latterly changed to Optalis.

This transformation from a Council managed and operated service and conversion to Optalis was a response to an uncertain financial period, that has not changed, and changing political and Social Policy landscape.

The creation of Optalis enabled the Council's Adult Social Care function to reduce its directly employed workforce, focus its commissioning function and give people who use Adult Social Care services greater choice and control.

The benefits of transferring the Council's Adult Social Care services to Optalis have included:

- It has facilitated the transformation of Adult Social Care into a commissioning – led, commissioning responsive organisation
- A clear contractual link between a commissioning-led Council and service delivery
- It has promoted choice and competition in the local market, including enabling the Council to respond proactively to the requirements of the Care Act 2014.
- The Council having a provider of last resort on which it can rely
- A business delivering services with the Council, that is flexible and acts as a genuine partner
- Stability and growth in the delivery of care services, with the added advantage of income generation in favour of the Council's Holding Company
- Enabling people to use their personal budgets to purchase services from Optalis
- Have adopted commercial disciplines that has increased productivity and developed a culture of continuous improvement.

Analysis of Issues

The provider market within Wokingham is not currently mature enough or able to offer the Council the range of services required. Optalis have proven they are able to meet the Council's requirements, whilst significantly reducing the cost base of the services transferred from the Council to it.

Optalis hold a unique position within the market, being able to provide a range of services should the Council's other contracted services' experience market failure. Optalis in such an emergency situation have the resources and capacity to respond and meet the Council's needs as they arise.

Optalis has been able to recruit, retain and train a skilled workforce that other contracted providers within the Social Care market have been less able to do. This offers a level of stability, flexibility and confidence that the Council would not otherwise have.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

| | How much will it Cost/ (Save) | Is there sufficient funding – if not quantify the Shortfall | Revenue or Capital? |
|-----------------------------------|-------------------------------|---|---------------------|
| Current Financial Year (Year 1) | (£250k) | Yes | Revenue |
| Next Financial Year (Year 2) | (£308k) | Yes | Revenue |
| Following Financial Year (Year 3) | tba | Yes | Revenue |

Other financial information relevant to the Recommendation/Decision

The Council has realised efficiencies to date contracting with Optalis since 2011 of £466,000.

If the Council does not renew this contract the Council's projected saving risks jeopardising efficiencies identified in the 2016 – 2017 Corporate Savings Plan.

Please see Part 2 sheet for additional financial information.

Cross-Council Implications

Optalis has developed a strong partnership arrangement with the Council's Housing Company, Wokingham Housing Ltd for the delivery of supported housing and extra care housing to vulnerable adults.

Optalis provide vital social work and social care services to the Council's adult social care function.

Reasons for considering the report in Part 2

Commercially sensitive information

List of Background Papers

Optalis Contract

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