

WBC (Holdings) Limited

**Remit document in relation to Optalis  
Group**

March 2015

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## **1 Context**

### **1.1 Introduction**

The Optalis group of companies includes Optalis Limited, Optalis Holdings Limited and Optalis (Wokingham) Limited. These companies (collectively “the Company”) are private limited liability companies wholly owned by Wokingham Borough Council (“the Council”) through its shareholding in WBC (Holdings) Limited.

The Councils intention in setting up the Company is to contribute towards four objectives which are aligned with the Councils overall corporate agenda:

- Contribute to the discharge of social services duties and legislation
- Provide value for money
- Seek business with other statutory bodies and private fee payers
- Generate profits and pay dividends or alternatively savings for the Council

The Council’s intention is therefore that the Company becomes a commercial, viable and sustainable company which has demonstrable value in terms of its resource and expertise.

### **1.2 The purpose of the Remit document**

The Remit document is produced by the Council to supplement the 3 year and annual business plan for the Company, and sets out the Company’s strategic objectives. It also sets out the procedures by which the Council monitors the strategic performance of the Company in its capacity as the sole shareholder in the Company.

The Remit document is set by the Board of WBC Holdings Limited (on behalf of the Council) after consultation with the Councils commissioners and officers, and the Company. The Company will implement the objectives of the Remit document through its own annual business plan. The Company and the Board of WBC Holdings Limited shall monitor the performance of the delivery of the business plan against the expectations within this Remit.

## **2 The Company’s Strategy**

### **2.1 Overall Objectives and Aims**

The Councils long term high level objectives for the Company include:

#### Service Delivery

- Identifying improvements and delivery of the agreed services under the contract with the Council to the satisfaction of the Commissioner taking account of volume, quality and compliance.

#### Project Service Delivery

- Supporting the Council in the delivery of other relevant social care projects aimed at generating efficiencies or achieving innovation through strategic and operational partnership working. This may include taking opportunities of partnership working with the Council's housing company during the design and operational phases of any scheme.

#### Provider of Last Resort

- Supporting the Council to perform its statutory duty as its 'Provider of Last Resort' to ensure that the most vulnerable within the Borough receive protection and Continuity of Care in accordance with the Care Act 2014.

#### Provider of Choice

- To continue to develop excellent and cost efficient services to ensure that the Council's own company provides a combination of best value for money and high quality services and qualifies as the Council's Provider of Choice.

#### Local Care Market

- To become the leader in social care by way of value for money, innovation and sustainability in the local social care market. To set the benchmark for service quality for other local providers.

#### Customer Satisfaction

- Achieving 'excellent' satisfaction from all customers irrespective of the level and scope of services provided.

#### Workforce Commitment

- To employ a workforce of valued, high performing, motivated, committed and customer-focused staff. To ensure that the workforce feels empowered to deliver services that are appropriate, customer centric and right first time. To be the Employer of Choice for the local adult social care sector.

#### New Business

- Delivery of new business growth and income from outside of the Council to enable an ongoing financial return to continue to be delivered to the Council. To seek opportunities for growth where growth can be achieved within the framework provided or seek investment or resources from the Council.

#### Social Care Policy

- To actively contribute to the Council's implementation of and compliance with national policy, directives, statutory guidance and instruments and statute as it affects the council's adult social care responsibilities. In particular to work as a strategic partner in the pursuit of health and social care integration.

## **2.2 Performance in 2014-15**

### Service Delivery

- The service issues arising primarily in domiciliary care last year have been successfully eradicated. Chronic recruitment issues in the industry locally have hampered the ability to return to providing the full block hours although this has improved markedly in the course of the year; by agreement this will be reflected in the proposed new service contract.
- There have been no other significant service or safeguarding issues in this reporting period.

#### Governance

- Significant changes in senior management personnel were successfully managed during the year, ensuring the stability of the company.
- Governance protocols have been significantly strengthened in the course of the year, ensuring effective oversight of the company by the board of directors and successful collaboration with Wokingham Borough Council stakeholders.

#### Project Service Delivery

- Optalis has worked constructively with the council to deliver key projects including scheme reviews, health integration, and savings and efficiencies.

#### Provider of Last Resort

- Optalis took on a specialist Learning Disability service in year from a provider that had given notice to the council to terminate its contract.

#### Provider of Choice

- There have not been any Provider of Choice service awards in this reporting period

#### New Business

Optalis has achieved new business growth ahead of budget in 2015-16 in areas including:

- Ace@Optalis, providing training and access to employment to young people with disabilities – contract with Reading College.
- Occupational Therapy equipment assessment & recovery – contract with NRS Equipment Services.
- LATC consultancy – contract with Bury Council.
- Extra Care Housing – contracts with Oxfordshire County Council and Bracknell Forest Borough Council.
- Learning disability supported living – contract with Wokingham Borough Council.
- Growth in Out&About learning disability outreach services – contracts with private payers.

#### Financial Return to the Council

- Optalis delivered a net return to the Commissioner of £250,000 and retained a profit of £50,000 in the Company.

## **2.3 Objectives and Aims for 2016-17**

#### Service Delivery

2016-17 follows a year of consolidation, with a permanent appointment made to the Managing Director role and a focus on recruitment and retention of frontline staff and embedding service quality. This year's service priorities will be: -

- Working with the Council to redefine the service offer at Beeches Manor as a specialist dementia extra care housing scheme
- Continue to work with the Council and Wokingham Housing Ltd to develop a bespoke Extra Care Housing scheme on the site of the old Fosters Care Home in Woodley
- Reconfiguring domiciliary care services
  - Redefining the core hours of service for the Long Term Support function
  - Working within the health and social care partnership to develop social care reablement (START) as part of a single integrated service.
- Working with the Council and its health partners to develop integrated health and social care for long term support through the Neighbourhood Cluster approach

#### Project Service Delivery

- Within reason and with reference to available resources, to work with the Council to assist on prescribed joint projects to deliver efficiencies to the Council outside of the Company.

#### New Business

- Focus on the private homecare market where that market demand is available.
- Continue to seek proportionate incremental growth through winning contracts to provide the full range of social care services to other Local Authorities and/or Joint Commissioners.
- Continuing to work with Wokingham Borough Council with respect to innovation and potential new commissions, specifically in the areas of health integration, extra care housing and assistive technology.

#### Financial Return to the Council

- Deliver an efficiency to the Commissioner of £308,000 and retain a profit of £50,000 in the Company.

#### Service Contract with the Council

- The current contract with the Council will expire in June 2016. The Company has worked with the lead commissioner to put forward a revised contract. The overarching aim in the new contract will be to provide excellence of service to the users within the Borough, to provide stability and assurance to all stakeholders and staff and to continue to drive service efficiencies to assist with the Council's funding challenge over the period of the Government's Spending Review.
- The service contract will be operated on an 'open book' basis to ensure transparency to both parties as to service costs.
- Profit - where the Company is able to provide services at 'market rates' to the commissioner (defined as the usual or median price the commissioner would need to pay for the services, taking into account any reasonable discount to be

expected for the 'block' nature of the contract), the Company may make whatever profit it can from those rates, subject to:

- Ensuring service quality
- Fulfilment of the required service quantum under the block arrangements
- Payments for services at above market rate are at service cost and dedicated solely to the operation of the service
- The Council will separately contract with Optalis with regard to the function of 'Provider of Last Resort' in line with the Council's required 'Market Failure' policy, and for the general provision of consultancy with regard to the provision of social care services

### **3 Governance**

#### **3.1 Relationships between The Company and The Council**

The Council has a number of relationships with the Company which serve distinct functions, namely:

- Shareholder – The Council owns 100% of the shares in the Company and appoints directors to the Board. This relationship is addressed through the Articles of Association which is the constitution of the Company supplemented by a Group Operating Protocol Document and this Remit Document. This shareholder monitoring role is discharged by the corporate shareholder as advised by the Board of WBC (Holdings) Limited.
- Commissioner of Services – The Council will commission the Company to deliver social care services on behalf of the Council and will monitor the performance of the Company (through the Services Agreement).
- Support services – The Council provides some back and middle office support functions to the Company in relation to accommodation etc. set out in a support Services Agreement and recouped on a fully recharged basis. By negotiation, Optalis may choose to vary the support services provided by the Council.

#### **3.2 WBC Holdings Limited**

The Board of WBC Holdings Limited will consist of elected members of the Council. The WBC Holdings Board will meet every calendar month as a minimum with invited attendees from the board of the Company and interested stakeholders.

#### **3.3 Reporting Performance to The Council**

The Company will report to the Board of WBC Holdings Limited its actual and projected operational and financial performance against the objectives agreed between the Council and the Company in accordance with the Annual Business Plan.

The agreed performance reporting will include:

- Report on key operational issues and events
- Risks, issues and mitigation

- Financial performance of the Company on a monthly basis
- Forward-looking projections of financial performance
- Additional issues or support required from the Council

### 3.4 Key Performance Indicators

The Council's key performance indicators for the Company are: - Delivery of the service contract with the Council to the satisfaction of the Commissioner and in accordance with key performance and outcomes measures set.

- The ability to deliver an agreed financial return to the satisfaction of the Council and in accordance with the Annual Business Plan agreed by WBC (Holdings) Limited. The Company's performance to date with regard to returns to the Council in the form of contract savings are set out below: -

13/14	14/15	15/16
£151k	£120k	£250k

The Council requires the Company to set out in its three year business plan how the Company will deliver the expected financial return of £308k as a contract efficiency in the financial year 2016/17 along with expected incremental turnover growth of between 25% – 50% over the period of the business case, excluding any joint ventures or other partnering arrangements with other public bodies.

### 4 Directors Authority

The Directors shall only exercise their powers of management of the Company strictly in accordance with the Articles of Association and the Group Operating Protocol and shall immediately put in effect the directions and requirements of the Council as notified to the Directors by the Council (as being a resolution of the shareholder).