

Statement to Bath and NE Somerset Council from Protect Our NHS BANES

My name is Pam Richards and I am speaking on behalf of Protect Our NHS BANES, this is a local network which aims to protect local NHS and care services from privatisation, fragmentation and closure.

You will be aware that Bath and NE Somerset Clinical Commissioning Group together with Bath and NE Somerset Council are undertaking a procurement process for local health and social care community services currently run by Sirona (a not for profit Community Interest Company).

Protect Our NHS BANES feels strongly that the cost of running the market in health care and putting contracts out to tender is wasteful and this money could be better spent on services for patients. We regret that it has been necessary for the Council to engage in an expensive, time consuming and disruptive procurement process that has cost BANES over £1 million particularly when current services elicit high levels of patient satisfaction and are cost effective. We believe that the objective of developing quality community services to meet changing needs and priorities could have been achieved by negotiating a new contract with the existing provider at a fraction of the cost.

There are two bidders for the £70 million p.a. contract - Sirona working in partnership with Avon and Wiltshire Mental Health Partnership NHS Trust, Bath and North East Somerset Enhanced Medical Services, Dorothy House Hospital Care and the Royal United Hospital NHS Foundation Trust. The other bidder is Virgin Care Ltd, a private limited company with share capital.

Protect Our NHS BANES objects strongly to the possibility that local services and the staff members currently employed may be handed over to a private company whose first priority is to its shareholders. The NHS is not for sale, and public money from the NHS purse should not go into private pockets.

We have further concerns about Virgin Care Ltd which relate to its financial status. Its accounts show that since 2010 it has made an annual loss of between £9 - £10 million, the accumulated loss stands at £73 million. The loss exceeds the share capital by nearly £20 million. A liability of this size would normally indicate a company on the verge of failing. It seems extraordinary that the CCG and Council are even considering placing a contract for vital community services with a company that has such a risky financial status.

Virgin Care registers an annual loss, it therefore pays no tax in the UK. However, the company structure of the Virgin Group is complex, to say the least. The parent group (Virgin Group Holdings Ltd) is based in Jersey and the headquarters are based in the British Virgin Islands. It is important that the Council and the CCG investigate the offshore status of the parent company to satisfy themselves that future tax liabilities will be met.

We appreciate that the procurement team have had to follow strict guidelines and scoring in this competitive process. We are also aware that there is no democratic input into the selection of the preferred provider in August. However, we want the Council to know that there is strong local feeling against this contract being awarded to a private for profit company. Most members of the public that we have spoken to were totally unaware that this contract was being contested and were shocked and deeply concerned at the possibility of local services being taken over by Virgin. We have collected 1550 signatures on an online petition and 259 local signatories on a paper petition which we wish to present to you.

Thank you for listening.