

Statement to the Health and Wellbeing Select Committee

On Behalf of Protect Our NHS (Banes)

28th September 2016

Decision re: Community Health and Social Care Services November 10th 2016

Protect Our NHS BANES were very disappointed to learn that Virgin Care have been given preferred provider status by Bath and NE Somerset Council and the BANES Clinical Commissioning Group. We have since attended a meeting with the Your Care Your Way procurement team as well as an open meeting with the Virgin team.

We continue to have deep concerns which we feel have not been answered.

Profits and Virgin

We have been told that the provider will sign an undertaking to reinvest any profit or surplus from the operation into local services and that administrative costs will be capped. We understand that Richard Branson has said that he will not make a profit from the NHS. This does not appear to be a sustainable position for a private company and we would ask why, if Virgin is so altruistic, it has not created a charitable trust to bid for NHS services.

We understand that Virgin Care runs at a loss and Richard Branson has said he will not subsidise the NHS indefinitely; at present Virgin Care can borrow capital from the Virgin Board. Furthermore, it was stated that the Virgin target is a 10% margin p.a. achieved via efficiencies.

This is a confusing picture. We would welcome more clarity about Virgin's projections regarding profit margins and wonder what will happen if Branson decides to stop subsidising the NHS.

The Timescale and Democratic Deficit

The final business plan will not be made public until 3rd November and will be presented to councillors for a final decision on 10th November. We feel very strongly that one working week is quite inadequate for councillors and members and the public to study the report on due diligence, the contract and the business case. This is the only opportunity that our democratically elected representatives have to ask detailed questions before they make a very major decision on how public money is spent.

The Virgin Model

Many questions remain unanswered about the Virgin's care co-ordination centre model. We have not been able to discover who will staff the centre and what level of training they will have.

The Virgin bid depends heavily on the transformational aspects of new IT approaches including integrated records and mobile working. We understand that the Council, in conjunction with Sirona, have just bought an electronic case management and records system specifically designed to achieve both these objectives. Will Virgin work with this system or sub contract the IT work to another partner ?

Furthermore, there is no mention of how the model will link to the RUH (a partner in the LINK bid) in order to prevent admissions and facilitate speedier discharges.

Impact on Staff

We understand that staff who transfer to Virgin in their existing roles will continue with their current terms and conditions of employment.. However, standard Virgin contracts (i.e. those that will apply to new staff or staff who change jobs) are considerably less favourable than current

terms and conditions. Furthermore, it appears that Virgin Care do not recognise trade unions and have no collective agreements covering employment.

We also understand from other areas where Virgin operate that the confidentiality and intellectual property clauses in employment contracts have hampered good collaborative working, where Virgin employees and other professionals employed by different organisations need to work together in the best interests of patients.

Impact assessment

We are not clear whether the impact that these changes will have on other providers such as the voluntary sector and indeed Sirona, has been fully assessed. It is not clear what will happen to the services that Virgin do not want to provide directly many of which are currently provided by voluntary organisations and this uncertainty will be de-stabilising for small local organisations.

Rising Demand and Cuts in Funding

The operation of the new contract will take place in a climate of rising demand for social care and at a time of cuts in local authority budgets. At the same time the Sustainability and Transformation Plans in the NHS will impose more stringent cost limits. We understand that this is the first contract where Virgin would take over the full local authority legislative responsibilities for adult social care – care assessment, determination of eligibility and care planning. We would like to see more detail about how they will fulfil these responsibilities and how this will be monitored.

Ongoing monitoring

The processes involved in monitoring this contract are complex and detailed and we would question whether a small local authority and CCG has the resources and expertise to do this on an ongoing basis. We are also concerned that when dealing with a private company this process will not be open and transparent to elected members.

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