

## **Statement to Bath and NE Somerset Council by Protect Our NHS BANES – March 22<sup>nd</sup> 2018**

Protect our NHS BANES wishes to express our grave concerns about the Royal United Hospital's proposals to set up a wholly owned subsidiary company to employ NHS support staff, including porters, catering staff, security staff, building project managers, architects, tradespeople and administration staff. This would mean that over 500 staff currently employed directly by the NHS would transfer into the new company; this represents about one fifth of RUH staff.

Our concerns are as follows:

- As far as we are aware, there has not been any consultation among the RUH NHS Foundation Trust membership or the wider public on this fundamental proposal.
- The staff affected make a vital contribution to the safe and effective delivery of healthcare at the Royal United Hospital and its associated facilities, especially cleaners, porters, catering staff, tradespeople and administrative staff. Any impact on these staff thus has an impact on patient care.
- New staff will have less favourable terms and conditions of employment to those of existing staff without access to the NHS Pension scheme. This is the case in other parts of the country where this has gone ahead. Existing staff would initially retain their existing terms and conditions under TUPE but the prospect for long-term protection of the pay and pensions of transferred staff is uncertain. This is likely to have a negative effect on recruitment and retention. It is feared by staff and unions that savings made on eroding pay and conditions (moving away from NHS Agenda for Change bands) is the main motivation for these plans.
- Setting up this arm's length company might well set a precedent for other parts of the RUH NHS Trust, meaning further transfers of staff/departments and property into the wholly owned subsidiary.
- Such a wholly owned subsidiary would be a suitable company to be taken over by another private commercial company when the market conditions are favourable, who will then impose their own terms and conditions.
- One of the reasons given for proposing this wholly-owned subsidiary is to avoid VAT payments because of a tax loophole for such companies. But the Dept of Health has advised that wholly-owned subsidiary companies should **not** be set up as a method of avoiding tax. Any savings to the RUH on VAT would not result in any extra income to public services.
- There is no evidence that these proposals will improve efficiency or productivity.

- Transferring these staff from RUH NHS Trust employment to a wholly owned subsidiary will lead to further fragmentation of the NHS, which contradicts current NHS England and local STP plans for more integration of healthcare services.
- NHS support staff take huge pride in working for the NHS and fully support its ethos of high quality care for all; this is one of the reasons that people apply for NHS jobs rather than similar jobs in private companies.

**So far these proposals have been discussed in private by the RUH Board; there has been inadequate staff consultation and no public consultation or scrutiny. We believe that the creation of an independent subsidiary company at the RUH would have a significant impact on patient care and on the local health and social care system. This fragmentation is very unwelcome at a time when greater integration and collaboration is being sought.**

**We would therefore request that the Health and Well Being Select Committee asks the RUH Board to share their business case with them and answer questions before any decision is made.**