

Statement to Cabinet and the CCG regarding the decision on the extension ( or otherwise) of the HCRG contract

From Protect Our NHS BANES

Firstly, we regret the lack of transparency in the decision making process. You are making a decision this evening on a community health and social care contract that serves a large number of vulnerable people and employs a significant number of dedicated staff. Virgin Care was taken over by Twenty20Capital in secrecy and without any prior notification to commissioners. This caused widespread anger and concern; it has also engendered a great deal of mistrust about private for- profit companies and their motivations. This service is paid for from taxpayers money and therefore the public has a right to know the outcome of the due diligence undertaken on the contractor, HCRG, and the nature of the legal advice which the Council has received. We do not accept the exemptions you have outlined in the appendix and maintain that the overriding principle should always be 'promoting accountability and transparency by the Council for the decisions it takes'.

We are deeply unhappy that you are being recommended to go with Option 1 – to extend the contract for 3 years until 2027.

We do not feel that the options appraisal and risk assessment adequately address four of our fundamental concerns

1. Service Continuity - You have no guarantee that HCRG will not be sold on by its parent company, Twenty20 Capital, within the contract period. You have not given this risk sufficient weight in your analysis. Our research suggests that this is very high risk because this is the way private equity companies operate, they buy and sell companies, and the turnover is rapid. Twenty20 Capital states that 'We look for significant returns in 2-5 years'.
2. Financial - We have always been concerned that the contract, with its flat line budget for social care, presents a significant risk to both service continuity and to health and social care budgets. With rising inflation this risk is very much increased. There are already cutbacks happening, we are reliably informed that 50% of the locally-based IT staff have been made redundant, given gardening leave with a week's notice. This has had a significant impact on other services. There is also reference in the risk assessment to a possible loss of transformational activity and expected savings if the contract is not extended. However, there is very limited evidence that Virgin Care/HCRG has made any of these savings.
3. Staffing – We are aware that many staff are very unhappy with this takeover and feel insecure as a result. Recruitment and retention has been a problem for Virgin Care and this situation persists. You have not provided any analysis

of recruitment and retention since the takeover. Clearly this information should be made available to help inform your decision.

4. Performance – When the Council and CCG discussed the renewal of the contract in November, concerns were expressed about certain services. Two services, continuing health care and adult safeguarding, were removed from the contract. Concern was also expressed about the performance in areas of social care such as waiting times for assessments. Since this report, there has been no monitoring report presented to the Scrutiny Panel on the performance of HCRG. Surely performance should figure in any option appraisal.

We feel that the arguments for Option 1 significantly underplay the real risks of extending the contract.

### **Option 3**

We feel that the your analysis of Option 3 ( para 3.7) presents many very positive reasons for going with this option e.g.

- real opportunities to achieve greater integration between health and social care
- greater flexibility to adapt services to changing needs and new priorities
- workforce stability
- streamlining of IT services
- continuity beyond 2024

The cost implications that you have stated for this option seem very high. We would like to have seen more detail and explanation about how these figures were arrived at. We hope that these will be questioned further in the discussion.

We believe that the long term benefits of Option 3 far outweigh the risks. This is the forward looking, service oriented and service user option. We would therefore strongly urge you to take the decision to go with Option 3.

Pam Richards

Co-ordinator Protect Our NHS BANES