

## **Health and Care Overview and Scrutiny Committee Report for O&S 11 September 2017**

This report covers the meeting held on 11 July which I attended as the Borough representative.

The main issue at this meeting of the HOSC was the sudden closure of Cleevelink, the largest non-national/locally owned provider of adult social care provision within the county (hereafter referred to as Cleeve)

Gloucestershire County Council were aware that Cleeve was acquired by another provider, Primus Care Plc, during late 2015. Cleeves' business model was largely based on recruiting Eastern European care workers, cheaper than local staff, and providing them with accommodation and transportation. One issue that concerned me was that when due diligence was applied prior to the new owners taking over the company's financial state was only taken into account when it filed its accounts with Companies House, not at the point of acquisition. My point being, matters could change over time.

The Cleeve operating model was asset heavy and this made the company attractive to investors to split the company, essentially stripping out assets. When the collapse subsequently came it was tax payers who footed the bill, care staff worked for free but many hours of staff time from county council officers was needed to help keep care running.

I posed the following question and received the answer below from Gloucestershire County Council:

### **Cleeve Link**

I have spoken with the Commercial Services Team at GCC regarding Steve Harvey's point about whether as part of the takeover process companies should be required to explain the model of care that they would be bringing forward. The Commercial Team explained that the legal framework, where the position is a takeover/buy out, does not place any requirement on a company to do this.

This is, of course, entirely separate from where the council is commissioning a service and initiates a procurement process which lays out the contract specifications and required outcomes.

As to whether the committee should write to the Secretary of State that is, of course, up to committee members to consider. However, it is important to remember that this business model works across all industries, and members would, in essence, be asking the Secretary of State about an exception for social care companies.

Lessons have been learnt/learned, but I remain uneasy about how this happened.

Councillor Steve Harvey