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Senedd Cymru | Welsh Parliament

**Y Pwyllgor Iechyd a Gofal Cymdeithasol | Health and Social Care Committee**

**Bil Iechyd a Gofal Cymdeithasol (Cymru) | Health and Social Care (Wales) Bill**

Ymateb gan Mark Carwardine | Evidence from Mark Carwardine,

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## **General principles of the Bill**

### **1. What are your views on the general principles of the Health and Social Care (Wales) Bill?**

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(we would be grateful if you could keep your answer to around 500 words)

I think that the intention to remove profit from the sector is misguided; I think the aim of the legislation, an aim that most people support, would be to remove profiteering from children's social care. No-one wants to see organisations which are supported by private equity, or large venture capitalists, operate in this critical sector – companies whose ownership is unclear or who are based in tax-havens should not be involved; and there should be measures in place to mitigate against profiteering (charging unreasonable fees due to a supply and demand issue). However, the for-profit services in Wales are in the vast majority made up of small, often family run organisations; they are not 'big Corp' and they have existed for many (often many many) years providing high quality caring services for some of the most vulnerable and troubled children in Wales; they do not make excessive profit and largely re-invest into their existing provision, or into developing services to meet local needs.

I am a provider of children's services to Welsh local authorities and have been for 25 years. No one in our organisation earns more than the salary of a Senior Social Worker in a local authority. The notion that we are all profiteering is a false narrative.

Having been providing care for children for over 25 years, I have asked many care leavers who we still see and hear from regularly about the Bill – not one single care leaver agrees with the general principles of the Bill; they are clear that they wanted and needed to be cared for by people who were skilled enough to support them through the trauma and abuse that they had suffered; they wanted stability; they wanted love and warmth – they did not care at all about whether

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the home was 'private / for-profit, or charity, or local authority'. The suggestion that the voice of the child underpins this Bill is simply incorrect.

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## **2. Is there a need for legislation to deliver the Welsh Government's stated policy intention?**

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No

### **Please outline your reasons for your answer to question 2**

(we would be grateful if you could keep your answer to around 500 words)

The intention to restrict profit from care can be managed through commissioning and does not need legislation to be developed. Profiteering by the immoral, unethical, few has been permitted by poor commissioning; Good commissioning involves defining what services are needed and where ....then working with the local authorities, private sector and charities to plan to meet that need.

### **3. What are your views on Part 1, Chapter 1 of the Bill (sections 1-13), which makes provision intended to restrict the extraction of profit by providers of children's care home services, secure accommodation services and fostering services**

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(we would be grateful if you could keep your answer to around 500 words)

This part of the Bill is flawed; it is ideologically driven without a real appreciation of what actually is happening in the sector. Rather than seek to 'restrict the extrication of profit by providers' it actually seeks to eliminate. What I think underpins the proposed legislation is an abhorrence of large, venture capitalist backed companies seeking to extract huge profits from the provision of care for children .....However, the majority of providers of these services in Wales are small private providers who are delivering really high quality services to some of the most difficult children to support; they do not make excessive profits. All have invested huge sums to get the services up and running (often at the behest of the local authorities who need those specialist services). The average cost to develop one of these services is c.£1million once you have found a service that might get suitable planning consents; usually a rural / semi-rural location and made sufficient modifications - these business owners have absorbed massive risks in the development of these services. It is these business owners who will now be compelled to stop - most will not change ownership model to a Charity and will

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exit the sector and will re-purpose their provision. As I understand it they can't be compelled to change structure and / or sell to the local authority and will understandably want to achieve best value with the investment they have made for many years.

A better starting point would have been to prevent 'profiteering'; This could be achieved by effective commissioning and planning of services to meet the local needs - better planning of what the current and future needs are and a strategy involving a mixed economy of providers to meet that need, would avoid 'profiteering'.

I accept that there are some prevent private equity backed companies who are registered in tax-havens who have developed in this sector as they seek to profiteer from the supply and demand crisis. Local authorities should not commission services from these companies; but that does not need legislation.

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**4. What are your views on Part 1, Chapter 2 of the Bill (sections 14-22 and schedule 1), which makes a number of amendments in relation to social care services, social care workers and local authority social services, intended to ensure that the 2014 and 2016 Acts can operate fully and effectively**

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(we would be grateful if you could keep your answer to around 500 words)

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**5. What are your views on Part 2 of the Bill (sections 23-26 and schedule 2), which relates to health care, and makes amendments to the National Health Service (Wales) Act 2006 in order to enable the introduction of direct payments within NHS Continuing Healthcare**

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(we would be grateful if you could keep your answer to around 500 words)

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**6. What are your views on Part 3 of the Bill (sections 27-30) which contains a number of general provisions, including in relation to regulations, interpretation, consequential and transitional provisions, and coming into force provisions**

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(we would be grateful if you could keep your answer to around 500 words)

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**Implementation and impact of the Bill**

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**7. Are there any potential barriers to the implementation of the Bill's provisions? If so, what are they, and are they adequately taken into account in the Bill and the accompanying Explanatory Memorandum and Regulatory Impact Assessment?**

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(we would be grateful if you could keep your answer to around 500 words)

### **8. Are any unintended consequences likely to arise from the Bill?**

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(we would be grateful if you could keep your answer to around 500 words)

The Bill has already had a huge impact on vulnerable children in Wales – There was a sufficiency crisis that existed prior to announcing this Policy direction which has been exacerbated hugely by this. As a children's residential provider who operates in both Wales and England, we have elected to hold off developing anything further in Wales and have instead developed a specialist 1:1 service in England. If the legislation is passed, then we will close our service in Wales and re-purpose it into a different sector. The service will therefore not be available to Welsh authorities to place within – although only 4 'beds', they are very specialist and it will exacerbate the sufficiency crisis.

This will see loss of workforce in a small rural area of Monmouthshire, a loss to local trades that we utilise and a material impact on that community.

The options to compel providers to change business model is riven with unintended consequences: if a provider changes it's structure to a charity then the new Charity would need to raise huge amounts of finance; it will be saddled with debt from it's inception and will not be in a position to develop new services. The huge debts would attract large interest and this would in turn raise the costs of placements to the Welsh Local Authorities.

Developing a children's home takes years; IF you can find the right property, in the right area ..... local authorities and 3rd sector will not be able to develop sufficient to cover the closing services (like ours) let alone meet the wider sufficiency crisis. The risk to the children of Wales is huge – just as the leaders of the local authorities and the commissioners themselves!

And to develop successful specialist services requires a depth of knowledge that cannot be achieved overnight – services that try, will fail and it is children who will suffer – you need expertise in this sector and that currently is located within the private sector; especially for the most vulnerable children in our society. The Bill does not allow sufficient time for that expertise to be developed within currently non-existent services.

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**9. What are your views on the appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Chapter 5 of Part 1 of the Explanatory Memorandum?)**

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(we would be grateful if you could keep your answer to around 500 words)

**10. What are your views on the Welsh Government's assessment of the financial and other impacts of the Bill as set out in Part 2 of the Explanatory Memorandum?**

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(we would be grateful if you could keep your answer to around 500 words)

**11. What are your views on the Welsh Government's integrated impact assessments (set out in Part 2 of the Explanatory Memorandum), including the Children's Rights Impact Assessment**

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(we would be grateful if you could keep your answer to around 500 words)

**Development of the policy and legislative proposals**

**12. What are your views on the approach taken by the Welsh Government to the development of the policy and legislative proposals reflected in the Bill.**

**Among any other issues, please consider in particular the approach to engaging and consulting with stakeholders**

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(we would be grateful if you could keep your answer to around 500 words)

**Any other issues**

**13. Are there any other issues that you would like to raise about the Bill, the accompanying Explanatory Memorandum and Regulatory Impact Assessment, or any related matters?**

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(we would be grateful if you could keep your answer to around 500 words)