

Press release: Fostering services merger faces in-depth investigation

Both the National Fostering Agency Group (NFA) and Acorn Care and Education Group (Acorn) provide independent fostering placement services to local authorities across Scotland, England and Wales, helping them match vulnerable children with foster carers.

The market for independent fostering placement services is worth in excess of £750 million per annum and the companies are 2 of the largest national providers to local authorities.

The number of children requiring foster care is growing while shortages of carers available to local authorities and independent fostering suppliers continue, leaving a growing deficit.

Groups of local authorities often tender for such services through framework agreements, which establish a list of independent providers with foster carers available in the local area, to ensure availability when their own in-house network of carers are unable to meet demand.

The Competition and Markets Authority's (CMA) investigation reviewed all local authority framework areas in which the companies overlap in the UK, and found concerns in 3 framework agreement areas: Wales, Norfolk and the framework agreement area covering Luton, central Bedfordshire and Bedford.

In each of these framework areas, the merged company's position is strong and we found that local authorities may face challenges in ensuring value for money in framework tenders.

The merger will, therefore, be referred for an in-depth phase 2 investigation by an independent group of CMA panel members – unless NFA is able to offer undertakings which sufficiently address the concerns in these areas of the country.

Sheldon Mills, Senior Director of Mergers at the CMA, said:

Many local authorities have raised concerns with us that this merger could significantly weaken their ability to ensure quality of care in their local areas, at the best possible price, when placing vulnerable children.

We closely investigated these concerns and found that in some areas local authorities may find it more difficult to obtain value for money as a result of the merger.

We think the concerns warrant an in-depth investigation unless the company can offer undertakings which address our concerns.

Notes for editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.
2. Regarding the size of the market for independent fostering placement services: (i) expenditure data published pursuant to the Apprenticeships, Skills, Children and Learning Act 2009 indicates that local authorities in England spent around £700 million on independent fostering placement services in the 2014/15 financial year; (ii) a report published by the Association of Directors of Social Services Cymru states that expenditure by Welsh local authorities was around £52 million in the 2014/15 financial year; and (iii) the National Framework Agreement for Fostering and Continuing Care Services across Scotland (tendered in September 2016) was estimated to have an approximate value of £100 million over 4 years, or approximately £25 million per year.
3. SSCP Spring Topco Limited, acting through SSCP Spring Bidco Limited (the holding company of NFA) acquired the entire issued share capital of Acorn on 3 August 2016. The case was first identified by the CMA's Mergers Intelligence Unit. The merging parties subsequently filed a draft merger notice with the CMA on 26 September 2016.
4. Under the Enterprise Act 2002 (the Act) the CMA has a duty to make a merger reference, resulting in an in-depth phase 2 merger investigation, if the CMA believes that it is or may be the case that a 'relevant merger situation' has been created, or arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and that the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.
5. Under the Act a 'relevant merger situation' is created if 2 or more enterprises have ceased to be distinct enterprises; and the value of the turnover in the United Kingdom of the enterprise being taken over exceeds £70 million ('the turnover test') or as a result of the transaction, in relation to the supply of goods or services of any description, a 25% share of supply in the UK (or a substantial part of the UK) is created or enhanced ('the share of supply test').
6. The CMA considers that it is under a duty to make a phase 2 merger reference in this case under the Act. However, the duty to refer is not exercised while the CMA is considering whether to accept undertakings in lieu of a reference. SSCP Spring Topco Limited, the ultimate UK holding company of the NFA group, has until 6 February 2017 to offer undertakings that might be accepted by the CMA. If no undertaking is offered or accepted, then the CMA will refer the merger for a phase 2 merger investigation.
7. All the CMA's functions in phase 2 merger investigations are performed by inquiry groups chosen from the CMA's panel members. The appointed inquiry group are the decision makers on merger investigations. The CMA's panel members come from a variety of backgrounds, including economics, law, accountancy and/or business; the membership of an

inquiry group usually reflects a mix of expertise and experience (including industry experience).

8. The text of this decision will be placed on the [case page](#) in due course.
9. For more information on the CMA see our [homepage](#) or follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#) and [LinkedIn](#). Sign up to our [email alerts](#) to receive updates on merger cases.
10. Media enquiries should be directed to press@cma.gsi.gov.uk or by calling 020 7738 6798.

[News story: Plans for fixed cap on legal costs for medical negligence cases](#)

The government intends to impose a new, fixed cap on all clinical negligence cases up to £25,000 to prevent rising litigation costs within the NHS. There are numerous examples of lawyers who profit from the NHS by charging more than 80 times the amount awarded to the victims in minor claims.

In one case, lawyers claimed £83,000 in legal costs for a case in which the patient was awarded £1,000. These costs contributed to a total bill for the NHS of £1.5 billion in financial year 2015 to 2016.

Currently, there is no limit on legal costs that can be recouped and the money claimed by lawyers takes vital funds away from NHS trusts. It is expected the new cap will help the NHS save up to £45 million a year.

Health Secretary Jeremy Hunt said:

It's important that when significant mistakes happen in the NHS, patients are able to have an open dialogue with a trust about what went wrong, receive reassurance of what is being learnt, and can discuss what form of recompense or redress may be appropriate. Legal action should only be one part of this process.

Unfortunately, what we often see in lower cost claims is a deeply unfair system where unscrupulous law firms cream off excessive legal costs that dwarf the actual damages recovered. We believe this creates an adversarial culture of litigation, which is inflating insurance premiums and drawing away resource from the NHS at a crucial time.

Andrew Foster, Chief Executive at Wrightington, Wigan and Leigh NHS Foundation Trust, said:

The introduction of a fixed recoverable cost for lower value claims would support more proportionate payment to claimant lawyers – which alongside improvements to the system should make things quicker and better for patients. This seems fair and appropriate recognising this all comes out of the NHS pot. Less money spent on legal costs will mean more to put into improved patient care at a local level.

See [consultation on plans for fixed recoverable costs for clinical negligence claims](#).

Press release: Interim Manager appointed to Sikh charity

From:

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Part of:

Interim Manager appointed to The Central Gurdwara (British Isles) London Khalsa Jatha (258324).

The Charity Commission has appointed an Interim Manager to [The Central Gurdwara \(British Isles\) London Khalsa Jatha](#). The appointment comes as part of the regulator's inquiry into the charity, which began in July 2015.

The inquiry is examining a range of concerns, including the trustees' failure to comply with a previous action plan set by the Commission, and concerns about potential unauthorised trustee benefit and unmanaged conflicts of interest. A statement about the investigation is available on [GOV.UK](#).

The Commission has now appointed Tom Murdoch of Stone King as Interim Manager of the charity. His task is limited to determining the membership of the charity. The charity's trustees remain responsible for the day-to-day management of the charity, including its financial management.

The Interim Manager was appointed on 26 January 2016.

The Commission's investigation continues. It is the Commission's policy, after it has concluded an inquiry, to publish a report detailing what issues the inquiry looked at, what actions were undertaken as part of the inquiry and what the outcomes were. [Reports of previous inquiries](#) are available on GOV.UK.

The charity's registered number is 258324.

Ends

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Notes to editors

1. The Charity Commission is the independent regulator of charities in England and Wales. To find out more about our work, see our [annual report](#).
 2. Search for charities on our [online register](#).
 3. Section 46 of the Charities Act 2011 gives the Commission the power to institute inquiries. The opening of an inquiry gives the Commission access to a range of investigative, protective and remedial legal powers.
 4. The Commission's decision to announce the opening of a statutory inquiry is based on whether it is in the public interest to do so and with consideration of our objective to increase public trust and confidence in charities.
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[News story: Chief Secretary welcomes an investment of more than £100 million creating 100 jobs in Oxford medical research](#)

David Gauke, Chief Secretary to the Treasury, was in Oxford today (30 January 2017) to welcome global healthcare company Novo Nordisk's announcement of an investment of more than £100 million in the city, creating 100 skilled jobs in diabetic drug discovery in a new research centre.

Laboratory facilities are being created in a new state-of-the-art Oxford University building, which has received £12 million of government funding. Two floors of the building will be occupied by Novo Nordisk and two floors by start-up companies created from ongoing Oxford University research.

Novo Nordisk's research will help discover new ways of treating type 2 diabetes, one of the world's biggest public health issues.

The Chief Secretary earlier hosted a round table with senior representatives of Oxford technology companies, covering sectors including autonomous vehicles, biotechnology and reforestation. They discussed government support,

including the Industrial Strategy, as well as opportunities and challenges for the future.

Chief Secretary to the Treasury, David Gauke said:

I welcome Novo Nordisk's investment at Oxford University, which is a vote of confidence in the UK's position as a world-leader in science and research.

A thriving science and technology sector is key to supporting economic growth, and the government has committed to support further research and innovation in all sectors with an additional £4.7 billion R&D spending by 2020-21.

We are also listening to our industries about their challenges and ambitions. That's why I sat down today with representatives from some of Britain's outstanding technology companies based in Oxford.

The UK's strengths in science, research and innovation are a major focus of the [government's industrial strategy](#).

The government has announced a range of support for science and technology, including:

- an additional £4.7 billion by 2020-21 of R&D spending – the largest increase by any government since 1979
- this is in addition to existing commitments from the spending review to protect science resource funding in real terms over the parliament and spend £6.9 billion on capital infrastructure between 2015-2021 *a new Industrial Strategy Challenge Fund, to support business-university collaboration

Meeting attendees:

- Ryan Cawood, CEO Oxford Genetics
- Dr Gordon Sanghera, CEO Nanopore Technologies
- Mike Clary, CEO Bodle Technologies
- Eliot Forster, CEO Immunocore
- Professor Andrew Harrison, CEO Diamond Light Source
- Dr Graeme Smith, CEO Oxbotica

[Press release: Man given suspended jail term over illegal Wakefield waste](#)

site

A Dewsbury man has been handed a 26-week prison sentence, suspended for 12 months, for illegally dumping waste on disused land in Horbury, Wakefield.

Samuel Joseph Stringer Hunter, 25, of Boothroyd Lane, Dewsbury, was sentenced by Kirklees Magistrates' Court on 27 January following an Environment Agency investigation.

Hunter had denied two environmental offences but was found guilty after a trial.

Lorna Matchett, prosecuting for the Environment Agency, told the court that investigating officers discovered the illegal activities in July 2014.

Hunter had been storing waste on land near Bridge Road, near the River Calder behind the Horbury Bridge Industrial Estate, although no environmental permits were in place for the operation.

There were several piles of mixed waste containing treated and untreated wood waste and plastics, and skips belonging to the Hunter Group or Huddersfield Skip Services, both of which Hunter was involved with at the time.

The defendant claimed that these waste activities were allowed because they were covered by waste permitting exemptions. But the Environment Agency said the waste was being stored in breach of the exemptions: there was too much waste, it was of a type not compliant with the exemptions and it was stored for too long.

Hunter was told to clear the waste from the site, but inspections between October 2014 and January 2015 revealed that much of it remained. There were also signs that waste had been deposited into the ground, which was contaminated with plastic, glass, a trainer and mixed construction and demolition waste.

The court heard that through running the site illegally, Hunter avoided £4,120 in permitting fees and £5,148 by not installing the correct surfacing to prevent pollution to the ground. It is estimated that Hunter received between £6,400 and £18,720 for the waste he brought onto the site.

In sentencing, the chair of the bench said:

These offences were so serious that custody was the only option.

A spokesperson for the Environment Agency said after the hearing:

Environmental permitting regulations exist to protect the environment and local communities from the risk of harm. Hunter's

activities on this site posed a pollution risk and a fire risk that could have affected the nearby railway line. Hunter also undercut legitimate businesses by avoiding mandatory permitting and infrastructure costs.

We hope this case demonstrates the importance of environmental compliance. Anyone who breaks the rules will be pursued. Anyone who believes waste is being dumped illegally is urged to report the matter to our incident hotline on 0800 807060 so we can investigate.

Prior to sentencing, Hunter told the court in mitigation that he had cleaned up the waste in the shortest possible time.

In addition to the suspended jail term, he was ordered to undertake a rehabilitation activity of 15 days under supervision, and to carry out 300 hours of unpaid work within the next 12 months. Hunter must also pay legal costs of £4,640 and a victim surcharge of £150.