

Confidential

Independent Investigation into Brook House

Wednesday, 13 June 2018

**Interview with
Ben Saunders
Former Director of Brook House**

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93. A. Yes, there is an expectation, and that's normally based on what you paid the year before, so the budget setting will be you made this the year before, why can't you do it this time?
94. Q. That money is not for re-investment in Brook House?
95. A. No.
96. Q. That money is for –
97. A. I don't know where –
98. Q. It goes to –?
99. A. To more substantial parts somewhere.
100. Q. It goes to the shareholders?
101. **Ms Lampard:** When you say it was based on the year before, as in, you made that amount of money last year, why can't you do the same for this year, was there also an expectation that, actually, this year you might do better than last year?
102. A. Yes, there was some target, but that is wrapped up in all sorts of other ways. It is not just about making the profit. I don't know if I am able to talk about 60 beds, but it could be about new business, or organic growth. It could be through other initiatives. There was an expectation that I would have discussions with the customer about how we might extend the contract, or how we might develop different services.
103. Q. Therefore, it wasn't based just on the bald money?
104. A. No.
105. Q. It was based on business accrual, as it were?
106. A. Yes.
107. Q. However, equally, we all know what that really means at the end of the day, don't we, which is that it is more profitable.
108. A. Yes, there is a focus on profit. There is a focus on profit and there is a focus on cash. The kind of large business that it is, monthly reporting, and you get near the six-month figures coming out and there is pressure.
109. **Mr Marsden:** Just give me a flavour for what would deliver in a good trading review for your accounts, and what would have delivered an uncomfortable trading review?
110. A. I will say that I know I have talked about money quite a lot, but we were in a good financial situation. I am sure you know how the contract was operated financially in terms of the fixed fee, so there were no variable earners to that. We made our savings from looking at how we could save on budgets that we had set against the year, about any kind of savings opportunities we could do, being more economical with cleaning products or –
111. Q. It is squeezing and using some logic?
112. A. Yes, exactly, and it is quite small figures. Staffing vacancies generated some profits because you were saving on costs that you had already looked at. Therefore, we were typically in a good position financially because we didn't incur massive, great penalties, generally. The big penalties were coming from things like escapes in terms of large figures, but from a penalty point of view