
HEALTH AND ADULT SOCIAL CARE SCRUTINY COMMITTEE

4TH July 2011

UPDATE ON CARE HOMES

Purpose of Report

1. For the Health and Adult Social Care Scrutiny Committee to be up-dated on the two issues of national concern that have been widely reported on recently in respect of the financial situation of the Southern Cross Care Group and the BBC TV Panorama programme on the Castlebeck Unit near Bristol. This Up-date provides the latest information from Dudley's point of view.

Background

Southern Cross Care Homes

2. All Elected Members received a Memo dated 28 May 2011 with the following update on Southern Cross.
3. **National context:** Southern Cross is the largest independent provider of social and nursing care for people in the UK. It has 587 adult social care services locations registered with the Care Quality Commission (CQC) in England. These services operate through 56 subsidiary companies and are spread across all nine of CQC's regions.
4. There has been considerable speculation in the media over financial difficulties of Southern Cross. On 19 May 2011 Southern Cross reported a pre-tax loss. On 14 March 2011 Southern Cross issued its interim financial results showing a significant loss before tax. It comes after warnings the group had experienced a difficult trading environment. Southern Cross has been particularly affected because of the kind of lease arrangements which underpin their business model. They feel that their rent obligations have become unsustainable and need to seek concessions from their landlords. They believe it is in the interests of landlords to reach an equitable solution with Southern Cross to help stabilise the business and create the conditions for new investment in their homes. This work is ongoing and NHP – Southern Cross's largest landlord (freeholder of 252 homes) has stated that it “supports a consensual outcome to the restructuring and is actively engaged in the process to achieve this.”
5. On Monday 13th June 2011 the Southern Cross landlords agreed, in principle, to a rent cut which will ease Southern Cross financial burden. These rent cuts are anticipated to average 10% - 15%. The landlords are understood to have agreed to put forward a proposal in which they would take on a third of the homes themselves, stopping short of administration or a takeover of the whole business. Landlords would also be able to take an equity stake in the remaining renamed

business, sources indicated. It should be noted that some landlords are also care providers in their own right.

6. The company has outlined plans to drop 20 per cent of its 752 care homes in the next five years, starting with the handing back of 47 homes to landlords by October. Politicians have called on Southern Cross to clarify where the first 47 homes are located.
7. **Local context:** Dudley Adult, Community and Housing Directorate is working in partnership with the Association of Directors of Adult Social Services at a national and regional level, the CQC and NHS Commissioners with Southern Cross and their local landlords to ensure continuity of the businesses.
8. In Dudley, Southern Cross operates six homes across the Borough offering 235 places and just over half of these are occupied by people paid for by Dudley Council. 16 people from Dudley are resident in Southern Cross Homes in neighbouring Authorities. The remaining number of places are made up of people paid for by NHS Dudley (PCT,) people funding their own care or vacancies. All of the homes are registered with the CQC.
9. We are monitoring the ongoing situation and working closely with NHS Dudley and our colleagues in the region to ensure the continued wellbeing and safety of everyone in the six Dudley Southern Cross homes. We will provide further updates, should there be further developments to report.
10. We have a strong and resilient market of care and support providers in Dudley which the Adult Social Care Commissioning Team regularly monitors and works to support the continued quality and range of options for Dudley residents.

BBC TV Panorama programme – Castlebeck, Bristol

11. BBC TV Panorama on 31st May gave a very disturbing account of abuse and mistreatment of people with a learning disability at a private hospital near Bristol, run by the Castlebeck company. Events at the hospital are now the subject of a police investigation; arrests have been made and staff suspended.
12. No Dudley clients are accommodated at the unit, which was the subject of the Panorama programme. One person from Dudley lives at another Castlebeck unit in a neighbouring Authority is funded and commissioned by the PCT, not the Council. A Social Worker in the Community Team for Learning Disability does however maintain regular contact with the person concerned.
13. The placement has been satisfactory overall and following the Panorama programme a review was carried out during week commencing 25 May and indicated that needs were being met. A further review took place during week commencing 6 June. At the same time, Worcestershire County Council, the host authority, undertook their own review of the unit. The early indications are that there are no immediate concerns, but we will have to wait a few days for the final report. The Care Quality Commission is also undertaking an inspection this week.

14. When we know the outcome of these reviews and inspection by CQC, we will make a recommendation to the PCT about whether we think the placement should continue.

Finance

- 15 Any financial implications arising from addressing any consequences areas for improvement will be met from within existing budgets and budget planning.

Law

16. The NHS & Community Care Act 1990 and relevant subsequent legislation supports the Council's activity in assessing people for need of adult social services.

Equality Impact

17. The Council will be ensuring through its actions that the needs of all people using the services referred to in this Report are met and safeguarded as appropriate.

Recommendation

18. That the Health and Adult Social Care Scrutiny Committee note the content of this report and comment as appropriate.



Andrea Pope-Smith
Director of Adult, Community and Housing

Contact Officer

Brendan Clifford	Assistant Director
Mike Marshall	Head of Commissioning