

## **TELFORD & WREKIN COUNCIL**

**ADULT SOCIAL CARE SCRUTINY COMMITTEE – 27<sup>TH</sup> SEPTEMBER 2011**

**SOUTHERN CROSS UPDATE**

**REPORT OF HEAD OF CARE & SUPPORT**

### **Purpose of the Report**

To provide a position up-date regarding Southern Cross Care home provider.

### **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, covering some 750 care establishments. These services operate through 56 subsidiary companies and are spread across all nine of Care Quality Commission regions, the independent regulator of health and social care in England.

Southern Cross has experienced significant financial difficulties and on 19 May 2011 they reported a significant pre-tax loss. Southern Cross traded as a “going concern” whilst the business negotiated with its landlords and creditors to develop a sustainable business model. However a financially viable business model was not found and on 11<sup>th</sup> July 2011 Southern Cross announced that it would cease to trade on the stock market and that the care homes would be transferred to alternative care providers.

There has been widespread coverage in the media about Southern Cross’s financial situation and the local authority has been working with Southern Cross management, the Primary Care Trust (PCT), the Association of Directors of Adult Social Services (ADASS) and other west midlands local authorities to ensure we had a considered and consistent approach to this situation to secure long term solutions in terms of securing new care providers to take over the running of the services.

One of the complexities of the Southern Cross issue has been that its homes have had separate ownership, by as many as 80 different landlords, with the company leasing the homes for operation.

### **Local position**

#### Care home details

There are two homes located within the Borough of Telford and Wrekin:

- St Georges Park Care Centre, School Street, St Georges, Telford, TF2 9LL. St Georges has 71 beds and provides residential and nursing care support to older people, including people with dementia.

- The Cottage Christian Nursing Home, Granville Road, Newport, TF10 7 EQ. This home provides 40 beds, again both residential and nursing care provision

Both homes are registered with the Care Quality Commission as offering care home with nursing. The table below indicates the current purchasing profile within the homes ( note figure taken as at July 2011), the CQC registered capacity and the landlord details. Locally there has been quality concerns regarding St Georges Park, however the council has been working with the care home management, the Care Quality Commission and health to develop an improvement plan which has led to significant improvement in recent months. The council continues to monitor the situation closely.

Name	Location	CQC Capacity	TWC Funded	Landlord details
St George's Park	St. Georges, Telford	* 71	30 funded by TWC 7- CHC funded 3 self funding 3 out of Borough	NHP , Liberty House, 222 Regent Street, London. W1B 5TR Telephone 0800 014 8509, fax 020 7256 9710.
The Cottage Christian Nursing Home	Newport	40	21 TWC funded 4 CHC funded 9 self funding 3 out of borough.	Garhill Ltd. 7 Granville Road, Dorridge, Solihull, West Midlands. B93 8BY Telephone 01564 773223 Single landlord Alan Herbertson

(\* = low occupancy currently due to self embargo on new placements by Southern Cross following CQC and council concerns regarding quality, compliance and safeguarding.)

#### Current position

Southern Cross has now provided up to date data about the proposed new operators for a significant proportion of its' residential and nursing homes in England.

With regard to St Georges, NHP is the largest landlord with 248 homes nationally . The council have been advised that Court Cavendish are to take over the lease and the running of St. Georges Park Care Centre from Southern Cross on 31<sup>st</sup> October, 2011.

With regard to Cottage Christian-the council have been advised that an alternative care provider, Coverage Care, are to take over the lease and the running of the Cottage Nursing Home from Southern Cross on 30<sup>th</sup> September, 2011.

Southern Cross is aiming to transfer all its homes by 31 October, after which the company will cease to trade.

Southern Cross presents different risks to different Local Authorities, largely dependent on the size of the market they occupy, the quality and viability of the homes in the Local Authority area and the capacity of the rest of the market to cater for any home closures. The council has developed a continuity plan regarding this situation which is regularly reviewed and up-dated.

The council is closely monitoring the situation and is in regular contact with Southern Cross Management and both the homes. Meetings have been held with residents and their families to keep them informed. The council will be working with the new operators to ensure the relevant contracts are in place reflecting the new arrangements.

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