Brunswicks’ Healthcare Review

refreshingly modern, reassuringly traditional
My gosh, what a week we have had.

We began last week with the Law Commission observations that the law surrounding social care is patchy, piecemeal and a mess in need of radical overhaul.

Great.

So, what is to be done?

This Government needs to have the report of the Dilnot Commission and then get drafting, as quickly as possible, a new, coherent law which will state what every citizen can expect in the way of social care and how that care will be funded.

Simples!

Not if the Lansley reforms of the NHS crash and burn. There will be little appetite to take on the mammoth reforms needed. In truth, we can’t let this opportunity for reform to pass. Too many other opportunities have escaped. Society needs answers to these difficult issues.

This week, I was totally taken by surprise to hear that after a year of silence on the topic the Minister for Social Care, Paul Burstow, has announced that Adult Safeguarding Boards are to become mandatory.

This is welcome news.

I hope that this Government will revisit the No Secrets consultation and put in place some statutory protections for vulnerable adults as soon as possible. I will report and say more about this in next week’s issue of BHCR.

Of course, legislation is just the beginning.
NATIONAL CARE ASSOCIATION ANNUAL CONFERENCE

National Care Association’s Annual Conference and Exhibition will be held on 27 to 28 September 2011.

It will be held at:

THE BRITANNIA INTERNATIONAL HOTEL - LONDON
Marsh Wall, London, E14 9SJ

Tel: 0871 222 0042 | Fax: 0871 222

Further details will follow in due course. To book your place, contact Cheryl Levy @ NCA
Abuse/Dignity
Nothing to report

Business News

1. Drug regulator accused of harming patients with secrecy
11 May 2011 The Independent
The European Medicines Agency responsible for licensing medicines in Europe released 130,000 pages of unpublished trial data only after then European Ombudsman ruled that it was guilty of maladministration.

2. New Care Home for Carebase Group
11 May 2011—East Anglian Daily Times
Alderwood care home will provide up to 50 jobs for the local community.

Alderwood will be home to 65 spacious en-suite rooms providing nursing, residential and dementia care and will provide 50 jobs. The in-house facilities residents will enjoy include a café, bar, cinema, beauty and hair spa, library, therapy rooms and private dining. Along with this Alderwood will have a full activities schedule that includes trips out, tea dances and entertainer visits.

Nicola Coveney, managing director, Carebase, said: “We are delighted to bring Carebase to the Colchester community. Alderwood will provide a fresh approach to care and the home has been designed to fulfill all our residents’ needs. We are also extremely pleased that we will create job opportunities for the local community at the same time.”

3. Southern Cross Healthcare Grp PLC Price Monitoring Extension
11 May 2011
Today's closing auction call period has been extended in this security by 5 minutes. Auction call extensions give London Stock Exchange electronic order book users a further opportunity to review the prices and sizes of orders entered in an individual security's closing auction call before the execution occurs. A price monitoring extension is activated when the matching process would have otherwise resulted in an execution price that is a pre-determined percentage above or below the price of the most recent automated execution today.

The applicable percentage is set by reference to a security's Millennium Exchange sector. This is set out in the Sector Breakdown tab of the Parameters document at www.londonstockexchange.com/tradingservices

4. Southern Cross Launches National Care Strategy
Leading the Creation of an Industry Standard for the Care Home Sector
12 May 2011—Southern Cross
Southern Cross, the UK’s largest care home operator, launched its national care strategy, Caring for Our Future – the first of its kind in the sector. Endorsed by the Royal College of Nursing (RCN) and sponsored by Boots Care Services, the Strategy forms a core element of the Company’s vision to become the most trusted provider of care in the UK.

Developed by Professor Irene Gray, Director of Care at Southern Cross, following consultation with over 800 staff at Southern Cross, external stakeholders and Residents and their families and friends, the Strategy focuses on establishing new standards of care to be achieved within a rigorous timescale. It is envisioned that these standards will become the benchmark for the Care Home Sector.

Commenting on the Strategy's launch, Professor Gray stated; “At Southern Cross, we are focused on our goal to become the most trusted care provider in the UK and this strategy is a key step in demonstrating our commitment to this goal. Southern Cross provides an indisputably essential service – a key part of the UK's Health and Social Care sector – and a service many of us will one day need. At present, the sector faces many challenges and opportunities and we want to ensure that we drive change for the good for those receiving care as well as those delivering it.”

Dr Peter Carter OBE, Chief Executive and General Secretary, RCN commented; “I am delighted to support the work that Southern Cross is doing with the launch of this Strategy that will create a benchmark for the Care Home Sector. It serves as a focal point for the sector and we welcome the opportunity to work closely with the Company and its other stakeholders to achieve the goals set out in this Strategy.”

Caring for Our Future has six core objectives, all of which include measureable and timely deliverables. These include Dementia Care services and End of Life Care services to be provided in all Southern Cross Homes and a Care Governance framework that will underpin all care delivery at Home, Regional and Group level. In addition, all Care and Professional Standards will be evidence based and built around clear standards, supported by regulation.

For a full copy of the Strategy, Caring for Our Future, please visit … http://www.schealthcare.co.uk/News-and-Events/2011/nationalcarestrategy
5. Drug regulator accused of harming patients with secrecy
Meeting with Landlords
12 May 2011 Southern Cross
Southern Cross Appeal
13 May 2011 The Times
Southern Cross, the UK's largest care home operator, held a second group meeting with its landlords as part of the ongoing financial restructuring of the business. The meeting was attended by landlords representing over 90% of its homes.

The Company put forward a request for a 4 month 'Summer Platform' to allow time to develop further its proposals in what is a complex situation. As part of the Summer Platform, landlords were asked to agree to a 4 month deferral of 30% of the current rent charge with effect from 01.06.2011. Supported by NHP, the Company's largest landlord, and to be chaired by Daniel Smith of Grant Thornton, the other principal landlords agreed to form an official committee to act as an efficient conduit for the restructuring discussions and to ensure that negotiations continue to progress in a timely manner.

The Company also announces the appointment of Greenhill & Co., Inc., an independent investment banking firm, as joint financial advisor with KPMG, to assist the restructuring process.

Southern Cross reaffirmed that the provision of care remains the priority for all parties and that the negotiation process has not, and will not, compromise the quality of care it provides to its 31,000 residents.

Jamie Buchan, Chief Executive, commented:

"I would like to thank the landlords for attending today's meetings and for the time and commitment that they are giving to the process. These developments are a further step in a consensual and constructive process to create a sustainable future for the business.

"Throughout, Southern Cross remains fully committed to the provision of quality care to all of its residents."

6. RNS Number : 6006G
Southern Cross Healthcare Grp PLC
13 May 2011
Price Monitoring Extension
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Auction call extensions give London Stock Exchange electronic order book users a further opportunity to review the prices and sizes of orders entered in an individual security's closing auction call before the execution occurs. A price monitoring extension is activated when the matching process would have otherwise resulted in an execution price that is a predetermined percentage above or below the price of the most recent automated execution today.

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7. Bupa chief's healthy payday
15 May 2011 The Sunday Times
At a time when profits fell by almost 75%, Ray King, chief executive took home £2.5m.

8. Southern Cross to ditch 200 homes
15 May 2011 The Sunday Times
The company wants to off-load between 100 and 200 care homes to another operator, ditch 50 care homes which are not fit for purpose and raise £100m. The slimmed down company the management thinks will thrive.

There are some big 'ifs'; starting with the landlords and finding someone to inject £100m.

Care Homes

9. Cheshire care home 'failing elderly residents'
09 May 2011 – BBC News
C. difficile at 'failing' Knutsford care home
09 May 2011 – BBC News
The CQC has found that a Cheshire care home has failed to protect its residents' safety and welfare.

The Commission found that Rangemore care home in Knutsford did not meet eight essential standards with inspectors finding that 12 residents had contracted the C. difficile bug and a 13th had a fungal infection after not being bathed.

The findings were made after inspectors visited the 49-bed home on 3 February and 22 March. http://www.bbc.co.uk/news/uk-england-manchester-13330548 http://www.bbc.co.uk/news/uk-england-manchester-13335480

10. Experts warn of care home demand
11 May 2011 – BBC News
Academics are warning that an increase in the number of care home places is going to be needed within the next 20 years because of the rising numbers of over-85s.

Experts said that in 2010 there were 2.6 million people aged over 80 and by 2030 it is expected to rise to 4.8 million, meaning that there will be a requirement for an 82% increase in the number of care home places, about 630,000 extra spaces, by 2030.
The findings were published in the BMC Geriatrics journal.
http://www.bbc.co.uk/news/uk-england-tyne-13353792

11. Suffolk care homes set to be sold off
12 May 2011 – BBC News
A consultation run by Suffolk County Council backed selling care homes “as going concerns”.

They are set to be privatised or sold to charities.
Suffolk County Council homes to go are:
1. The Dell, Beccles
2. Blyford, Lowestoft
3. Stradbroke Court, Lowestoft
4. Angel Court, Hadleigh
5. Sidegate Lane, Ipswich
6. Hawthorne Drive, Ipswich
7. Crabbe Street, Ipswich
8. Mills Meadow, Framlingham
9. Lehmann House, Wickham Market
10. Wade House, Stowmarket
11. Paddock House, Eye
12. Ixworth Court, Ixworth
13. Place Court, Haverhill
14. Wamil Court, Mildenhall
15. Davers Court, Bury St Edmunds
16. Glastonbury Court, Bury St Edmunds.
http://www.bbc.co.uk/news/uk-england-suffolk-13383164

12. Adult care services in Wirral 'survive budget cuts'
12 May 2011 — BBC News
Wirral which has made one of the highest cuts to adult social care budget in England has claimed services have not been reduced. Wirral Council is to make £12m in savings in this area following the central government Spending Review, which requires a 20% cut in funding.

http://www.bbc.co.uk/news/uk-england-merseyside-13380515

Ed. I recall just 18 months to two years ago when a dom care provider in Liverpool went bust placing a workforce on the dole and giving rise to great anxiety to those receiving support—the spokesman from Liverpool City Council said that it was the provider’s own fault as it shouldn’t have made such a silly (low) bid for the work! Let’s see whether front line services get cut or just collapse under the burden of prices forced too low by commissioners. Oh how quickly they have forgotten the lessons from the commissioning training delivered at Dr Stephen Ladyman’s insistence!

13. Bristol City Council shifts focus from residential care
12 May 2011—BBC News
Bristol City Council has said that in the past it was too reliant on putting vulnerable adults into residential care and says it is now shifting the focus to help people live in their own homes, at less cost.
http://www.bbc.co.uk/news/uk-england-bristol-13363213

Ed. I had thought that councils had, at long last, woken up to this myth that it is less expensive to care for someone in a home of their own rather than in a care home. It is not. What happens is that money is taken from different pots and brought together – the combined sum is usually greater than the fee paid to a care home.

Case Reports

Law Reports

14. W (By her Litigation Friend, B) v (1) M, (An Adult Patient, By her Litigation Friend, The Official Solicitor) (2) S (3) A NHS Primary Care Trust (4) Times Newspapers Limited
In 2003, M then aged 43 was admitted to hospital suffering from brain stem encephalitis and suffered profound damage and wasting to the brain. For several years, she has been in what is described as a "minimally conscious state", although there is said to be a possibility that she is in fact at a higher level of functioning than she is at present demonstrating.

This tragedy has had a devastating impact not only on M herself but also on the lives of her family, including her mother, W, her sister, B and her partner, S. Those family members have come to the clear view that M would not wish to continue living in her current state and that it is not in her interests to do so. Supported by other family members, her mother W therefore started proceedings in the Court of Protection, seeking a declaration that M lacks capacity to make decisions as to her future medical treatment; a declaration that it is not in her best interests for artificial nutrition and hydration to be provided, and an order that those treating her may lawfully discontinue and withhold all life-sustaining treatment and medical support and instead furnish such treatment and nursing care as may be appropriate to ensure that she suffers the least distress and retains the greatest dignity until such time as her life comes to an end.

This decision concerned an application brought by Times Newspapers Limited (TNL) in relation to what has come to be known as a 'super injunction' by
which the court had made an order that the press could not take certain photos or approach or contact any one of 65 named individuals, including M's family members and the medical team caring for M.

The case was brought in the Court of Protection, such proceedings usually take place in private.

TNL objected saying that the order went further than necessary and, in so doing, infringed TNL's Article 10 rights to freedom of expression.

The competing rights created by European Convention on Human Rights Article 6 (right to respect for private and family life) and Article 8 (freedom of expression) requires that the court balances the competing rights of each of the parties.

Family members indicated that if there was press intrusion they may not continue with the case, which they found difficult enough without it becoming a ‘circus’.

Baker J who heard the case decided that the balance was in favour of protecting the identities of M, her close family members and staff caring for M.

A further hearing is scheduled to begin on 18.07.2011

15. In the case of XYZ: Brian Morgan –v- A Local Authority

This hearing was before Sir Nicholas Wall The President of the family Division of the High Court.

Application had been made by Morgan, a journalist, “for permission for the media to name the medical expert witness” in the case which concerned care proceedings brought by Coventry City Council before Judge Bellamy in 2010. Judge Bellamy had ordered that CCC pay £100,000 towards the publicly funded costs of the parents.

Judge Bellamy had been critical of Dr M. Dr M objected to being identified and there were several intervening parties including the Royal College of Paediatrics. Wall J said that Dr M would be identified unless he could demonstrate a compelling social need for interference with the Article 10 rights of the media. Dr M did not seek to do so.

Wall J identified two reasons against disclosure:
  Bellamy J had not identified Dr M as the court had not heard him give evidence; and
  Anonymity of experts is necessary to protect them from vilification and to encourage them to undertake child protection work.

The court ordered that the balance was in favour of naming Dr M, but in doing so it is necessary for Dr M’s report to be published (in a redacted form removing the names of the children and parents) together with two letters written by Dr M to the judge.

16. Nurse who punched pensioner escapes ban

13 May 2011—Dignified Revolution

In February we wrote to the Council for Health Regulatory Excellence (CHRE) to voice our concerns about the outcome of a Nursing & Midwifery Council Fitness to Practice investigation where a nurse received a caution order rather than being struck off the register. The nurse was reported to have held an elderly patient down, punched her and told her that she was going to die.

CHRE have responded to say that “we were very concerned indeed about the outcome of this case. As a result we fully reviewed the transcript and evidence, and commissioned a legal report on the matter. We held a formal Case Meeting to consider whether we should use our powers to refer the matter to the High Court. Regrettably, the threshold for successful appeal to the High Court has been set very high over the years. This is as a result of earlier decisions by the courts on the interpretation of the regulators’ rules, and of our own powers of appeal. We reluctantly concluded that we could not appeal the case to the courts. We are currently finalising a report on our consideration of this case. Once this is done, we will publish it on our website and we will write to you with a more detailed explanation of our decision”.

Cases in the news

17. Plymouth bingo addict stole from care home residents

09 May 2011 – BBC News

Jennie Preston, a former care home manager who stole £90,000 from her residents to fund her bingo “addiction” will be facing jail.

She pleaded guilty to eight charges of theft from residents of the Dewi Sant Residential Home in Plymouth and is due for sentencing at Plymouth Crown Court on 22 July.

http://www.bbc.co.uk/news/uk-england-devon-13339109

18. Kent council probe into 'disabled children mockery'

10 May 2011 – BBC News

Kent County Council has started an investigation into allegations that council staff mocked disabled children and called them offensive names. The Council said a member of staff had been suspended while a disciplinary hearing took place.
19. Mental health trust admits failings over nine killings
11 May 2011 – BBC News
Suffolk Mental Health Partnership Trust has admitted its failure to learn lessons from nine killings that were linked to patients or former patients.

Its chief executive, Aidan Thomas, said changes were being implemented in the wake of the independent Rae report into the trust’s response to the killings.

http://www.bbc.co.uk/news/uk-england-suffolk-13364423

20. Son’s relief over fresh inquest into hospital death
12 May 2011 – BBC News
A fresh inquest has now been ordered into the death of a man who died in hospital after being admitted with C.diff.

Stanley Mack died after suffering a heart attack at Birmingham’s Selly Oak Hospital in June 2008 and coroner Aidan Cotter found "shortcomings" in his care but ruled a narrative verdict.

http://www.bbc.co.uk/news/uk-england-birmingham-13382045

21. 'Twitter ban' issued by High Court judge
13 May 2011 – BBC News
A High Court Judge has issued an injunction which bans publication of information on Twitter and Facebook.

It was made by Mr Justice Baker in the Court of Protection, which is linked to the Family Division of the High Court.

The order was issued in a case involving a woman, who can be referred to only as "M", who has been in "a minimally conscious state" since suffering from swelling of the brain stem, which caused serious damage and wasting to the brain.

http://www.bbc.co.uk/news/uk-13392772

Ed. See Cases item 14.

22. Murdered girl’s addict mother to sue council for not taking her into care
14 May 2011 - Daily Mail
Lynn Rigg, 34, is considering suing the council for failing to take her daughter into care. The child was lured by her uncle to his home on the pretext of babysitting for him; once there he drugged, tortured and raped her before strangling her to death with a guitar string.

Children

23. Department of Health: Patient-level information and costing systems, and reference costs best practice guide
09 May 2011 – DH
A guide that seeks to identify areas of cost and activity which patient-level information and costing systems organisations need to consider when producing reference costs. It also offers best practice suggestions to aid the production of reference costs data.


24. Child protection takes lead role in National crime agency
09 May 2011 - Home Office
The UK’s ability to protect children from harm will be further strengthened when the Child Exploitation and Online Protection Centre (CEOP) becomes part of the National Crime Agency (NCA) the Government announced, emphasising its commitment to safeguarding children.

Government will build on CEOP’s successes by ensuring it retains its name and unique brand as the national centre for child protection; its operational control; a separate budget; a governance structure which allows it to create and sustain innovative partnerships with the private sector and charities; and a multi-disciplinary workforce.

Minister for Crime Prevention James Brokenshire said:

"Child protection is an absolute priority for this government. As a core part of the new National Crime Agency, CEOP will not only be in the best possible position to continue its vital work but will also benefit from being able to draw on the resources and support available across the whole agency.

"CEOP has been an amazing success and this government will always back its vital work."

25. Free professionals from central Government control to let them do their jobs properly
10 May 2011 - Department for Education
Independent review into child protection says: Local areas should have more freedom to develop their own effective child protection services, rather than focusing on meeting central government targets...

http://www.wired.gov.net/wg/wg-news-1.nsf/lfi/DNWA-8GQJMF

26. Child protection system shake-up urged
10 May 2011 – BBC News
An official review by social policy expert Professor Eileen Munro, is calling for targets and red tape to be scrapped.

She said that the front line social workers should be able to have the freedom to decide what is best for
27. ChildLine reveals plan to close three bases
10 May 2011 – BBC News
ChildLine, which is part of the NSPCC, provides a confidential telephone and online counselling service to children and young people.

The NSPCC has proposed closing the Edinburgh, Exeter and Leeds bases, with the Leeds office set to move to the NSPCC base in the city.
http://www.bbc.co.uk/news/uk-england-13345468

28. Child protection 'must be able to innovate'
10 May 2011 – BBC News
Child protection review says too much focus on targets
10 May 2011 – BBC News
An official review of England’s child protection system says that front-line social workers should regain the freedom to decide what is best for children.

The review was undertaken by London School of Economics professor of social policy Eileen Munro, and calls for targets to be removed and red tape to be ditched.
http://news.bbc.co.uk/today/hi/today/newsid_9481000/9481269.stm
http://www.bbc.co.uk/news/uk-1334519

10 May 2011 – DfE
Munro: Don't replace ContactPoint
11 May 2011 – Community Care
The third and final report by Eileen Munro, which sets out recommendations to reform the child protection system.

She recommends that ContactPoint should not be replaced and that child protection departments should provide a 24-hour service for other agencies and professionals needing information about vulnerable children.

http://www.education.gov.uk/munroreview/downloads/8875_DfE_Munro_Report_TAGGED.pdf
http://www.communitycare.co.uk/Articles/2011/05/11/116791/Munro-Don39t-replace-ContactPoint.htm

30. Cuts to Lancashire children’s homes defended
12 May 2011 – BBC News
The leader of Lancashire County Council which has cut its budget for social services by 12% has defended the planned closure of children's homes in the county.

Lancashire County Council has been told to save £179m in the next three years.

He said the closures were taking place in line with advice from health professionals about how children should be looked after.
http://www.bbc.co.uk/news/uk-england-lancashire-13372031

31. The Health Professions Council responds to Professor Munro’s report
12 May 2011 - HPC
Anna van der Gaag, Chair of the Health Professions Council commented:


“This report signals significant and wide ranging reforms to the child protection system in England. The HPC welcomes these recommendations both in relation to the systemic and professional improvements which they describe. We support the premise that the social work regulator has a strong and important role to play in relation to continuing professional development (CPD) and that CPD will be one of the ways in which the expertise of the profession can be improved.

“Meeting CPD standards is a mandatory requirement for all our professions. We define it as a range of learning activities through which professionals maintain and develop throughout their career to ensure that they retain their capacity to practice safely, effectively and legally within their evolving scope of practice. Currently we audit a small percentage of CPD profiles randomly selected when each of our professions renew their registration.

“We are committed to protecting the public and ensuring that professionals are meeting standards for their professional skills, and will continue to work closely with the College of Social Work to drive CPD forward.”

32. More support may have prevented children coming into care
12 May 2011 - Office for Standards in Education (Ofsted)
The latest report from the Children’s Rights Director, Dr Roger Morgan, reveals that 43% of the children in care consulted believe they would not have needed to
come into the system had they received more support.

http://www.wired.gov.net/wg/wg-news-1.nsf/ifi/DNWA-8GSCUY

33. Poor Doncaster child services now rated 'adequate'

12 May 2011 – BBC News

Doncaster Council's children's services have won an improved rating from Ofsted, just 2 years after its failures meant there was Government intervention.

Inspectors said the overall effectiveness for safeguarding youngsters was now deemed "adequate".

http://www.bbc.co.uk/news/uk-england-south-yorkshire-13377122

34. Birmingham council children's manager Colin Tucker goes

13 May 2011 – BBC News

The director of Birmingham City Council's children's social care, Colin Tucker, has left his post by "mutual agreement".

He was suspended in January partly over concerns about the slow pace of change and he left in April.

Children's social care was given a poor Ofsted rating in December 2010 after it was judged to be failing in July 2010.

http://www.bbc.co.uk/news/uk-england-birmingham-13386984

35. Telford & Wrekin to appoint child protection boss

13 May 2011 – BBC News

After a national review into child protection a director of children's services will be recruited at Telford & Wrekin Council.

http://www.bbc.co.uk/news/uk-england-shropshire-13390224

Conferences & Courses

To follow next week

Consultations

36. Proposals on changes to the Office of the Public Guardian fees

Reference Number : CP16/10

Closing date: 21 May 2011

A consultation on the Office of the Public Guardian (OPG) fees 2011/2012 which aims to ensure that the OPG fee policy remains fair, equitable and proportionate to the services being provided whilst at the same time reflecting the current economic climate. The proposed changes below will help ensure this whilst at the same time fully covering OPG costs. We are now seeking your views.

- Raising the LPA Application to Register from £120 to £130;
- Implementing a new 'Resubmission Fee' of £65 each time an LPA is resubmitted to the OPG within 3 months of it being returned to the Applicant as invalid;
- Discontinuing the production of LPA office copies by the OPG, except in extreme and limited circumstances, and for a £50 fee;
- Removing the Application to search the Registers fee;
- Replacing Type 1, 2A and 2 supervision fees with a flat fee of £320 and introducing an administration fee of £35 for those in Type 3 requiring the de minimis level of supervision;
- Raising the maximum threshold of capital for those cases qualifying for Type 3 supervision from £16,000 to £21,000 over a period of 4 years;
- Introducing a new Fee Remissions policy of 50% for those who have a gross income of up to £12,000;
- Allowing the Public Guardian to vary the levels of fees payable in the future, examples of which could be:
  a. Implementing a new discounted fee for any LPA applications that are submitted together
  b. Removing or discounting the LPA Registration Fee for Armed Service Personnel
- Renaming a number of OPG Fees in order to make it clearer what they cover

The proposed changes will help ensure that the fee structure remains fair and equitable whilst fully covering OPG costs. We are now seeking your views.

Proposals on changes to the Office of the Public Guardian fees in 2011/2012 (PDF 1.27mb 78 pages)

Questionnaire (Word 0.08mb 5 pages)

37. Consultation on updating the ‘Guidance on health and character’ launched

Closing Date: 1 July 2011

Health Professions Council (HPC) launched a consultation on proposed changes to the ‘Guidance on health and character’. These changes are a result of the HPC’s decision to remove the health reference requirement linked to registration and to change the way in which it considers information provided by registrants through self-referral.

Changes to the guidance document are now required to explain the principles of self-declarations of health and associated issues for applicants and registrants to consider.
Michael Guthrie, Director of Policy and Standards commented;

“The HPC is inviting stakeholders to respond to the consultation on updating the guidance on health and character”

“The consultation, which will run from 11 April until 1 July 2011, will put the proposed guidance before a wide range of stakeholders, professional bodies and others with an interest in our work.”

A registrant makes a ‘self-referral’ when they give us information about their conduct or competence at any other time than during the registration application or renewal process. The HPC recently changed the way we handle self-referrals to reduce delays and ensure decisions are made fairly. Changes to the guidance are needed to explain how self-referrals are now considered.

38. New Consultation: Family Friendly, Working Time and More
Closing Date: 08 August 2011

The Department for Business Innovation and Skills has launched a new consultation document entitled ‘Consultation on Modern Workplaces’.

It proposes the following:
- **Flexible parental leave**: retaining 18 weeks' maternity leave for mothers, then reclassifying the remaining maternity leave as 'parental leave' and allowing it to be taken by either mother, or father, or both. Either way, most of it will be paid. The consultation will also cover allowing employers and employees to agree for parental leave to be taken in chunks, or on a part-time basis
- **Flexible working**: extending the right to request flexible working to all employees, not just those with children under 17 (or 18 for parents of disabled children)
- **Working time regulations**: amending the WTR to enshrine ECJ case law, namely providing that employees can carry over untaken holiday into subsequent years if they have lost the chance to take paid holiday because of sickness absence or maternity/parental leave. The proposal is to limit carried-over holiday for sickness absence to the four weeks’ compulsory paid leave under the Working Time Directive (i.e. the employee would lose the extra 1.6 weeks they receive, above EU minimum requirements, under the WTR). The government is also considering proposals to allow employers to 'buy out' that extra 1.6 weeks
- **Equal Pay**: introducing a duty for employment tribunals to require employers to conduct a pay audit if they have been found guilty of breaching equal pay legislation, unless it is not productive to do so.

There is a DBIS press release [here](http://www.brunswickslaw.eu).

39. New excellence award consultation begins
10 May 2011 - CQC

CQC has started consulting on plans for a new excellence award scheme for adult social care services in England. The award, which it is proposed will launch in April 2012, will, it is claimed, recognise those services providing the best care and will be delivered by third party organisations licensed by CQC. The consultation asks for feedback on the definition of excellence developed by SCIE and a range of aspects of how the scheme should work.

Members of CQC who wish to give comments or views on this consultation for our response can contact lynne.hill@childreninwales.org.uk.


40. Carers Strategies (Wales) Measure
12 May 2011 – CIW

Children in Wales is currently drafting a response to the Welsh Assembly Government's Carers Strategies (Wales) Measure - Draft Regulations and Guidance consultation.

The Measure will place a duty on the NHS and Local Authorities in Wales to work jointly to prepare, publish and implement a strategy for carers and is designed to support carers in ways that matter to them the most: the strategy will focus on:

- the provision of information and guidance for carers; and
- support constructive engagement with carers in decision making about the provision of services for them and the person(s) they care for.

The consultation document and response form are available on the [Welsh Assesmbly website](http://www.brunswickslaw.eu).

Members of Children in Wales who wish to give comments or views on this consultation for our response can contact lynne.hill@childreninwales.org.uk.


41. NICE: Current consultations

42. New excellence award consultation begins
10 May 2011 - CQC
CQC has started consulting on plans for a new excellence award scheme for adult social care services in England. The award, which it is proposed will launch in April 2012, will, it is claimed, recognise those services providing the best care and will be delivered by third party organisations licensed by CQC. The consultation asks for feedback on the definition of excellence developed by SCIE and a range of aspects of how the scheme should work.

UKHCA says that homecare providers could find it difficult to demonstrate that their agency meets some of the new criteria being used to judge excellence. This is not a reflection on the quality of homecare services, but about the way homecare is generally commissioned by local authorities for short periods of time unlike residential care which provides care and activities throughout the entire period.

UKHCA Chief Executive, Bridget Warr, said: “Homecare providers are strongly in favour of a fair and appropriate means of assessing and recognising high quality in the provision of services and regret CQC’s decision to cease providing this as part of their service to service users and the public. Judging excellence in adult social care as individuals having choice and control over life decisions and spending time purposefully is not entirely appropriate for homecare where local authorities often only commission short care episodes of 15 minutes for personal care. CQC needs to think again about an excellence measure that more appropriately reflects the needs and preferences of people receiving (often very time-limited) services in their own homes.”

Another problem identified by the Association is that the new Award will not have a category that recognises providers who achieve a level of quality equivalent to the old two-star ‘good’ rating. This could affect the 66% of providers who achieved two stars under the previous Quality Ratings scheme.

UKHCA is also concerned that providers will have to pay separately for assessment for this award, at a time when CQC’s fees to most providers have significantly increased and they have ceased to provide the quality recognition. This recognition was previously covered by CQC’s standard registration fee.

43. CQC Excellence Consultation Announcement
09 May 2011 - ECCA
The English Community Care Association responded to CQC’s approach to excellence.

Martin Green, Chief Executive of ECCA, said: “The way in which this issue has been handled by the regulator is very far from excellent. There are more questions than answers in this announcement and there is only one firm and clear element, and that is that providers will have to pay more for something that should be an integral part of regulation.

“As with just about everything that CQC does, this is late, incomprehensive and requiring further work.”

44. New CQC “Excellence Award” not suitable for care in people’s homes
09 May 2011 - UKHCA
United Kingdom Homecare Association said that the Care Quality Commission’s new ‘Excellence Award’ appears to be more appropriate for residential care than care in people’s own homes.

45. Gagged CQC employee slams regulator at Mid Staffs inquiry
11 May 2011 - Health Service Journal
The Care Quality Commission tried to gag the doctor who led the Healthcare Commission’s investigation into Mid Staffordshire Foundation Trust, it was said when giving evidence to the inquiry.

46. Rangemore care home has failed to protect people’s safety and welfare says regulator
09 May 2011 - CQC
CQC says that Rangemore care home, Knutsford, Cheshire is not meeting eight essential standards and that the owner, Mr Dickinson, must make improvements to comply with the essential standards of quality and safety.

47. CQC demands action to improve services at Sonning care home
10 May 2011 - CQC
Orchard Lodge is not meeting six out of 16 essential
standards.

CQC inspectors who visited Orchard Lodge Care Home in Sonning Common, near Reading found that it was failing to meet 12 essential standards of quality and safety.
http://www.cqc.org.uk/newsandevents/pressreleases.cfm?cit_id=37357&FAArea1=customWidgets.content_view_1&usecache=false

48. Protection of Vulnerable Adults
Monitoring Report 2009-2010
May 2011 – CSSIW
Care and Social Services Inspectorate (CSSIW) has now produced an annual monitoring report on how Welsh Local Authorities are performing in relation to allegations of abuse against adults.

The report identified an increase in a number of completed adult protection referrals and highlighted that the most common alleged victims of abuse were older women.

49. Cornish nursing home must ‘improve standards of care’
13 May 2011 – BBC News
Owners of a private nursing home in Cornwall have been told to improve standards or face enforcement action.

Inspectors from the by the Care Quality Commission (CQC) said King Charles Court in Falmouth was not meeting four essential standards.

The home’s owners said they would continue to address the issues and felt they had improved the quality of care.

The inspectors’ report identified concerns with levels of staffing, care and welfare of residents, nutrition and the state of the premises.

Bernadette Hanney, acting regional director of CQC in the South West, said: “Frail, older people often need help to eat or drink - but we found they were simply left to cope.”

‘Remain concerned’
The CQC said the report followed a previous visit to the nursing home, in November 2010, in response to people’s concerns.

Inspectors visited the home again in February and said they found improvements in some areas, but the care provided was still not to the expected levels.

Carol Williams, executive nurse for NHS Cornwall and Isles of Scilly, said: “Despite some encouraging improvements, we remain concerned that care at King Charles Court has not yet reached the standard we require.

"For this reason, the primary care trust and the council have suspended all admissions to the home until we are satisfied that standards have improved significantly."

Ms Williams said improvement work would continue and staff would receive additional training.

In a statement, King Charles Court director Barry Libby said: “We have been, and will continue, to work together in partnership with external agencies to address the issues.

“Since the inspection in February, we have been working to implement the actions outlined and feel positive we are improving the quality of care we provide.”

Ms Hanney said: “Our inspectors will return to King Charles Court in the near future and if we find that the home is not making progress we won’t hesitate to use our legal powers on behalf of the people who live there.”
http://www.bbc.co.uk/news/uk-england-cornwall-13391513

Dementia

50. Dementia funding in East Yorkshire is criticised
09 May 2011 – BBC News
Dr David Lewley, a dementia consultant from the Humber NHS Foundation Trust said funding had not kept pace with the rising ageing population and therefore the service was struggling to cope in the area.

The East Riding Primary Care Trust said dementia was a ‘health priority’ but it has one of the worst records in the country for recognising the condition, according to the Alzheimer’s Society.
http://www.bbc.co.uk/news/uk-england-humber-13339064

51. Professor June Andrews wins Robert Tiffany International Nursing Award
11 May 2011 - University of Stirling
Professor June Andrews, director of the Dementia Services Development Centre at the University of Stirling, has won a prestigious international award to recognise her contribution to nursing. She was presented with the Robert Tiffany International Award at The Nursing Standard’s Nurse Awards 2011 cere-
mony, hosted by television celebrity Angela Rippon in London.

June Andrews said; "I am proud to be a nurse, and to be recognised by the nursing profession in this way is very special. Everything I am able to do is a result of the world class team here at the University of Stirling Dementia centre. I have learned so much from people with dementia and their carers. They need as much help as we can possibly give them."

For the past 20 years Professor Andrews has been promoting evidence-based service improvement, both at home and abroad, and was appointed director of the DSDC in 2005. She believes that dementia is a treatable condition and that international research on the design of effective services, combined with better nurse and carer training can make a huge difference.

**Wales**

**52. Elderly befriending scheme in Powys receives £960,000**
12 May 2011 – BBC News

A group, Powys Association of Voluntary Organisations, has won a £960,000 grant to set up a scheme in mid Wales to befriend older people who live on their own.

Four hundred volunteers will be recruited to befriend 400 older people "to improve their independence".  

**53. Carers Wales claims carers' efforts worth £7.7bn a year**
12 May 2011 – BBC News

Carers Wales has issued a five-point plan calling for more support for the growing number of families looking after sick loved ones, as it claimed that unpaid work done by carers in Wales is worth £7.7bn a year.

The figure represents a rise by over a third since the last estimate in 2007.  

**Learning Disabilities**

Nothing to report

**Legislation Update**

**54. The Health Act 2009 (Commencement No. 3) (Amendment) Order 2011**
13 May 2011 – OPSI


**Mental Capacity**

**55. MCA Update - E-Bulletin**

**OPG Fees consultation – only a few days left to respond**

The Office of the Public Guardian announced a new consultation paper on 28.02.2011 which aims to ensure that the OPG Fee policy remains fair, equitable and proportionate to the services being provided. It is not too late to respond to this consultation and you have another ten days to do so. The consultation will close on **21.05.2011**.

The proposed changes below will help ensure this whilst at the same time fully covering OPG costs. We are now seeking your views.

- Raising the LPA Application to Register from £120 to £130;
- Implementing a new ‘Resubmission Fee’ of £65 each time an LPA is resubmitted to the OPG within 3 months of it being returned to the Applicant as invalid;
- Discontinuing the production of LPA office copies by the OPG, except in extreme and limited circumstances, and for a £50 fee;
- Removing the Application to search the Registers fee;
- Replacing Type 1, 2A and 2 supervision fees with a flat fee of £320 and introducing an administration fee of £35 for those in Type 3 requiring the de minimis level of supervision;
- Raising the maximum threshold of capital for those cases qualifying for Type 3 supervision from £16,000 to £21,000 over a period of 4 years;
- Introducing a new Fee Remissions policy of 50% for those who have a gross income of up to £12,000;
- Allowing the Public Guardian to vary the levels of fees payable in the future, examples of which could be:

  a. Implementing a new discounted fee for any LPA applications that are submitted together
  b. Removing or discounting the LPA Registration Fee for Armed Service Personnel

- Renaming a number of OPG Fees in order to make it clearer what they cover

The full consultation document and response form are available to view on the Ministry of Justice Website via the below link. Your views and opinions would be most welcome.  
Mental Health

56. Suffolk care farm for mental health clients
09 May 2011 – BBC News
Potsford Farm at Letheringham has been set up to provide a service which allows patients or clients to work with animals and crops. It is aimed to help people with mental health issues.

http://www.bbc.co.uk/news/uk-england-suffolk-13335518

Mental health trust admits failings over nine killings
11 May 2011 – BBC News
See item 19 under Cases in the News

57. NHS Trust in radical modernisation deal with global IT firm
12 May 2011 - DH
Barnet Enfield and Haringey Mental Health Trust (BEH-MHT), one of the largest mental health trusts in the country, is making a radical change in the way its computer and communications services are managed. BEH-MHT has become the first NHS Trust in the UK to outsource its entire IT and communications technology to HP - the world's largest IT company. Under the agreement HP will modernise all the Trust's technology bringing together data and voice services thereby helping the Trust to deliver improved mental and physical healthcare services - as close as possible to the people who need them.

Through these technology changes, and the efficiencies they will make possible the Trust believes it has the potential to effect considerable savings in its IT expenditure and use those savings for the benefit of the users of its services. The decision follows an intensive research and analysis exercise and a competitive tendering process carried out by BEH-MHT with the help throughout of specialist UK healthcare IT advisers - Channel 3 Consulting.

According to Dr Pete Sudbury, Medical Director of the Trust, the decision was based on improving services for the community which the Trust serves, as well as keeping control of costs. “I am passionate about looking at smarter ways of bringing our services to the community. We deliver excellent services because of the skill and experience of our professional teams. But we also need first rate IT and communications support. My aim as a clinical leader was to secure a deal which ensured that the technology supports our caring work”.

The contract with HP will deliver clear measurable service improvements. HP will facilitate secure access to the Trust's application systems from PCs, laptops, PDAs and mobile phones. Professionals will use the same telephone and number whether they are at their desk or working in the community.

Louise Felstead, who is spearheading the change, joined the Trust as Head of Information Management and Technology (IM&T) in 2009 bringing with her considerable experience of managing major IT departments for private sector companies. "If people working for a utility service or a Bank have access to better technology and information, than the people I support - healthcare professionals - there is something wrong. That is why we are doing something about it; not by increasing what we spend but by spending it in a smarter way and working with real experts in their field. Our Chief Executive, Maria Kane is passionate about ensuring our services are the best they can be - and her leadership has made this radical change possible. Personally I joined the NHS to make a difference and I feel this programme does just that - it will make measurable improvements for the Trust itself, the people in our community and those who care for them".

Transfer of responsibility to HP takes place on 06.06.2011 and the contract will run for five years.

58. Children wait 16 months for mental health care in Kent
13 May 2011 – BBC News
Children in need of mental health care in West Kent have been waiting up to 16 months for treatment.

The delay was revealed in a survey of GPs carried out by MP for Tunbridge Wells, Greg Clark, and it also raised concerns about inappropriate referrals.

http://www.bbc.co.uk/news/uk-england-kent-13387180

Miscellaneous

59. 'Troubling' DH delay stalls Mid Staffs inquiry
06 May 2011 - Health Service Journal
The public inquiry into Mid Staffordshire Foundation Trust chaired by Robert Francis QC has been held up by the Department of Health’s failure to disclose relevant documents until last month, despite being asked for them in July 2010.

Ed. Such an approach is scandalous. All records as are available should have been made available to the Inquiry and all interested parties months ago. Doubtless this is a ploy to overwhelm people with materials so that they read it less carefully than might otherwise have been the case. I suspect it will backfire!
60. Body implants recycled for death-related charities
10 May 2011 – BBC News
Orthopaedic implants, like the thousands surgeons insert into patients every year to hold battered, broken and failing bodies together, are being recovered, by hand, from the ashes of the cremated.

This is the start of a process that raises thousands of pounds every year for charities that deal with some aspect of death and bereavement, as well as helping to improve recycling rates. http://www.bbc.co.uk/news/uk-wales-13071572

61. Continuing Health Care (CHC) Stage 2 Procurement – UPDATE
10 May 2011 - Lancashire Care Association
In LCA’s view, it is impossible for providers to submit a price on the 13th (the deadline) given a lack of necessary information and some lack of clarity. We think there is much necessary documentation missing from the information to providers. We will refer this back to NWCCA (North-West Collaborative Commercial Agency) for a response. But the Friday the 13th remains the deadline. We have asked for this to be further extended while clarification can occur but this has been declined.

We have queried the process and detail again with NWCCA but are told there is enough information and no need for the NWCCA to act differently. LCA members, and colleagues from other NW Associations, have sent us a long list of detailed queries associated with the information sent out to providers by NWCCA.

Those queries sit alongside the Brunswicks LLP letter response from NWCC (to which we have now received a reply indicating there was no assimilation of provider views on the part of the NWCCA, in fact, they remain strident that the process is conducted openly and fairly and that there is little complaint across the sector and that LCA is unusual in highlighting it.

We are preparing a detailed reply and following up on any possibilities for appeal or complaint (to SHA, Co-operation and Competition Panel, Health Services Ombudsman, and / or the Secretary of State).

As we have said before, we cannot instruct you what to do, only give our opinion and advice about what we think is in the best interests of quality providers. We think that the thresholds indicate a desire to drive down costs and manage budgets rather than commission for a viable CHC market. As a provider, we think, if you decide to put yourself forward you should only do so with reference to what you think are your genuine CHC costs. You need to look at the documentation you have from NWCCA and judge whether you think all the information is there for you to give a price. To us it seems that there is missing information critical to assessing a reasonable cost for a viable business.

Give us your feedback: paul.simic@lancashirecare.org.uk.

We continue to try to influence this abuse, in our view, of overweening power by large scale commissioners. We will continue to press the NWCCA, individual PCTs, the SHA and, indeed, the Secretary of State, individually and with colleague Associations, to try to turn this around so it is a fair process, following strategic guidance on partnership approaches to delivering care, informed by true cost information, and with impact analysis information on providers and on service users.

62. Government announces £3m extra for disabled people’s organisations
11 May 2011 - 15:35 DWP
The Government announced an extra £3m for disabled people’s grassroots organisations to better deliver services disabled people really need. http://www.wired-gov.net/wg/eg-news-1.nsf/III/DNWA-8GRHDX

63. Law Commission recommends radical overhaul of adult social care law
11 May 2011 - Ministry of Justice
The Law Commission has recommended the most far-reaching reforms of adult social care law in more than 60 years. The Commission’s recommendation for a single, clear, modern statute and code of practice would pave the way for a coherent social care system. If adopted, older people, disabled people, those with mental health problems and carers will be clear about their legal rights to care and support services. http://www.justice.gov.uk/lawcommission/news/1461.htm

64. Social care laws face sweeping reform
11 May 2011 - Guardian
Government is promising “the most significant single reform of social care law for 60 years” after the Law Commission published its final proposals for modernisation and rationalisation of legislation governing care and support for older and disabled people, those with mental health problems and carers.

Charities and user groups broadly welcomed the proposals as a singular opportunity to sort out what one called the “dog’s breakfast” of statutes and guidance dating back to 1948 and appearing incomprehensible to most non-lawyers.

This link takes you to the NWCCA website: http://www.nwcca.nhs.uk/
Frances Patterson QC, the public law commissioner who led the three-year project to review existing law, said: “Our recommendations will bring much-needed clarity and accessibility to this important area of the law and have a major, beneficial impact on the lives of many of our most vulnerable citizens.”

Paul Burstow, the care services minister, said the Law Commission’s final report provided “a strong foundation” for the most significant reform of social care law for 60 years, suggesting the government might not adopt the 76 recommendations in their entirety.

Lord Justice Munby, chairman of the commission, said: “What we are trying to do is create a legal framework into which governments can, from time to time, slot different policies.”

Gary FitzGerald, chief executive of Action on Elder Abuse, applauded the proposed duty on councils to investigate abuse and neglect. He said: ”Too many older and other vulnerable adults are relying on a postcode lottery for their protection and these recommendations will finally bring this situation to an end”, said Gary FitzGerald Chief Executive of AEA. "When we are considering what are often horrendous abuses and neglect we need systems that are consistent and can guarantee adequate protection. Society expects no less and it is now time for the Government to publicly outline its response to these recommendations and state clearly its position on the earlier No Secrets adult protection review."

The LC recommendations include a duty on social services to investigate or cause an investigation into adult protection cases; a duty on Government to prescribe the process for such investigations; a new definition of people at risk of abuse and of harm in order to ensure those in need receive adequate protection; a statutory basis for adult safeguarding boards which should as a minimum comprise local social services, police and health; the legal requirement to establish serious case reviews; and an enhanced duty to cooperate between relevant organisations.

Caroline Bielanska of SFE said, “We welcome the recommendation to have an express and clear duty for local authorities to investigate and take appropriate action, for those at risk of harm, including self funders and those who self harm or self neglect, where currently the system is wholly inadequate and leave people extremely vulnerable”.

Despite the comprehensive nature of the LC review there are a number of crucial issues that have yet to be addressed, including adequate funding of adult safeguarding in a time of cutbacks, and also what powers of intervention might be needed to ensure adequate safeguarding. Continued FitzGerald, “While the Law Commission have produced an excellent set of recommendations they have also unnecessarily sidestepped the second part of what is needed. Establishing the framework for adequate safeguarding will be insufficient if investigators lack the necessary powers to gain entry and intervene. We now need the Government to consult upon and then introduce appropriate powers in any new legislation.”

65. Law Commission recommendations bring adult protection into the 21st century, say two leading organisations that challenge elder abuse.

11 May 2011

Solicitors for the Elderly (SFE), and Action on Elder Abuse (AEA) joined together to strongly welcome the Law Commission (LC) Report on reforming Adult Social Care legislation.

“Too many older and other vulnerable adults are relying on a post code lottery for their protection and these recommendations will finally bring this situation to an end”, said Gary FitzGerald Chief Executive of AEA. “When we are considering what are often horrendous abuses and neglect we need systems that are consistent and can guarantee adequate protection. Society expects no less and it is now time for the Government to publicly outline its response to these recommendations and state clearly its position on the earlier No Secrets adult protection review.”

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66. Fitzgerald considers the Law Commission Proposals

11 May 2011 - AEA

The Law Commission today underlined the need for adult safeguarding legislation, reinforcing and reiterating the message already given by the vast majority of those people and organisations who made contributions to the No Secrets Review two years ago.

Almost as they were switching the lights out and departing the scene, the last Labour administration promised that they would bring forward such legislation but never said when. And anyway, it took so long for them to reach that decision that we were all in General Election fever by the time the commitment was given. Which means that it fell with the last Labour Government, and has yet to be picked up by the current one. And the consequence of this is that, for far longer than has ever been necessary, too many older and other vulnerable adults have been forced to continue relying on a post code lottery for their pro-
But now, the Commission's recommendations provide the opportunity to finally bring this situation to an end if, and it is an important ‘if’, the Coalition Government agree to introduce them into law. This is a political decision, not one based upon fact. Because the fact is that we need systems that are consistent and can guarantee adequate protection if we are to adequately challenge the horrendous abuses and neglect that happen on a daily basis. This is known by the overwhelming majority of people who work in adult safeguarding, and many who experience the process, and was stated by multiple contributors to the No Secrets Review. And yet we still await legislation, as though there was all the time in the world to get to it, which of course is not the case for many older victims of elder abuse.

The Commission's recommendations include a duty on social services to investigate or cause an investigation into adult protection cases; a duty on Government to prescribe the process for such investigations; a new definition of people at risk of abuse and of harm in order to ensure those in need receive adequate protection; a statutory basis for adult safeguarding boards which should as a minimum comprise local social services, police and health; the legal requirement to establish serious case reviews; and an enhanced duty to cooperate between relevant organisations.

These are of course excellent recommendations but, despite the comprehensive nature of the Report, there are still a number of crucial issues that have yet to be addressed, including adequate funding of adult safeguarding in a time of cutbacks, and also what powers of intervention might be needed to ensure adequate safeguarding. The Law Commission unnecessarily sidestepped these matters and yet establishing the framework for adequate safeguarding will be insufficient if investigators lack the necessary powers to gain entry and intervene. So, we now need the Government to consult upon and then introduce appropriate powers in any new legislation.

But the question is, will they?

What the Commission has successfully done is place this issue back into the hands of Government, which has been publicly very quiet over the last year about No Secrets, the messages that came out of that Review, and what they planned to do to address the inadequacies of the current situation. There is no doubt that there are some policy challenges ahead as they seek to reconcile Big Society and Localism on one hand with the need to structure adult safeguarding on the other. But older victims of elder abuse do not enjoy the luxury of time to mull over and debate the finer points of political dogma. They need effective protection right now.

Will they get it?

That silence you can hear is our bated breath as we all await that response...

67. ECCA welcomes recommendation on direct payments
11 May 2011 - ECCA
The English Community Care Association (ECCA) welcomed the Law Commission's Adult Social Care final report and recommendations.

Martin Green, Chief Executive of ECCA, said:

“We commend the Law Commission on its thorough and comprehensive report and recommendations and we hope this will be the basis on which the Government will build to launch the social care White Paper to provide a firm and clear direction for the future.”

“We completely endorse the recommendation to extend the use of direct payments to purchase residential accommodation. This was a key argument in our response to the Law Commission consultation and is an entirely logical and sensible approach which will ensure real choice for individuals.”

68. Evaluation of nurse and pharmacist independent prescribing in England - key findings and executive summary
11 May 2011 – DH
An independent report commissioned and funded by the Policy Research Programme in the Department of Health.

The study carried out in England by the Universities of Southampton and Keele evaluates nurse and pharmacist independent prescribing in order to inform planning for current and future prescribers.


69. Prescription drug addiction addressed
11 May 2011 - DH
A GP summit examined how to address addiction to prescription and over-the-counter drugs following publication of two new reports into the scale of the issue commissioned by the Department of Health.

http://www.wired.gov.net/wg/wg/news-1.nsf/ifi/419443

70. Dental commissioning statistics January to March 2011
12 May 2011 – DH
Information is now available about the number of new NHS dental contracts signed and rejected and the approximate service value of thesecontracts ex-
71. Gene clue to how superbugs attack
12 May 2011 – BBC News
Scientists have managed to pinpoint genes that make MRSA resistant to antibiotics.
Over 20 genes which help the superbug attack the human body have been identified, including one that may be a focus for future drug development.
http://www.bbc.co.uk/news/health-13363619

72. Carers save the country £119bn a year
12 May 2011 - Guardian
Carers who look after relatives or friends are saving the nation £119bn a year, or almost as much as the entire cost of the NHS, according to the latest calculation by researchers and it has risen almost 40% since 2007.

Imelda Redmond, chief executive of the charity Carers UK, says: “Our society and public services could not function without the massive contribution made by over 6 million carers in the UK. This contribution is something we can be proud of as a country, and demonstrates how strong our families and communities are.”
http://www.guardian.co.uk/society/2011/may/12/carers-save-uk-119bn-a-year

73. England’s North-South adult social care divide
12 May 2011 - bbc.co.uk/news
Following the Government’s Spending Review there is a North-South divide in spending on adult social care in England according to BBC research. The Council Spending: Making it Clear survey looked at planned expenditure of 76% of councils in England.
Adult social care spending will fall by an estimated 4.7% to £3.4bn in the North in 2011/12 and rise by 2.7% to £3.33bn in the South.
http://www.bbc.co.uk/news/uk-england-13332882

74. Twitter 'vital' link to patients, say doctors in Japan
13 May 2011 – BBC News
Doctors say that Twitter seems to be proving "an excellent system" for communicating with chronically-ill patients in the aftermath of the earthquake in Japan.
http://www.bbc.co.uk/news/health-13373535

75. Haut de la Garenne activity centre opens doors
14 May 2011 – BBC News
A Jersey activity centre at the former Haut de la Garenne children’s home has now opened its doors to islanders.

Jersey Accommodation and Activity Centre is now situated on the site which was at the centre of Jersey’s police investigation into historic child abuse in 2008.
http://www.bbc.co.uk/news/world-europe-jersey-13401514

76. Call for Criminal offence against Doctors and Nurses
13 May 2011 - Dignified Revolution
Academics from the University of Manchester have published a paper suggesting that the willful neglect of any patient should become a criminal offence for doctors and nurses in England, as it is in France. The call comes in the wake of last year's Francis Report on Mid Staffordshire NHS Foundation Trust, and the authors' concerns that this particular episode of "abysmal care in an NHS hospital" is neither unique nor preventable by oversight and regulation alone.

77. Innovative haemodialysis team in Manchester win prestigious NICE award
13 May 2011 - NICE
The home haemodialysis team based at the Manchester Royal Infirmary which developed an innovative approach for patients on haemodialysis, has won a special NICE award at its annual conference in Birmingham.
http://www.wired-gov.net/wg/wg-news-1.nsf/ifi/DNWA-8GSJ4Y

78. Care Talk is now available online
May 2011 - Care Talk
In this issue:
- The Spending Review – impact on all levels
- Shake up on Vetting and Barring – Implications for the sector
- General Social Care Council – The future of registration
- Risk sharing and Learning from Fee Structures – Alan Long, Careforce
- Unison - Is the market place now changing so that care workers must become the employee of choice?
- Big Society exclusive by David Behan
- KPMG – key drivers for maximising value
- Update on social care projects – feature from the Department of Health
- An insight into Jewish Care
- Property News – Healthcare Property Consultants
- Employment article – Ridouts Solicitors
- Company Profile – LNT Group

To view please visit www.caretalk.co.uk
82. Reforms will 'destabilise the NHS forever'
09 May 2011 – BBC News
Senior doctors from the Royal College of General Practitioners have written to David Cameron to warn that the Government's plans to reform the NHS in England could "totally destabilise" it and ultimately harm patients.
http://www.bbc.co.uk/news/health-13331331

83. 'All of us love the NHS'
09 May 2011 – BBC News
Article with opinions expressed by different people on how the NHS should go forward.
http://news.bbc.co.uk/today/hi/today/newsid_9480000/9480103.stm

84. Health bill 'will cause irreparable damage'
09 May 2011 – BBC News
Nick Clegg says that the Lib Dems will block proposed changes to the NHS if there are not "substantial, significant changes to the legislation".
http://news.bbc.co.uk/today/hi/today/newsid_9480000/9480060.stm

85. Gloucestershire Royal Hospital criticised in report
09 May 2011 – BBC News
Gloucestershire Hospitals NHS Trust has promised to take action after the CQC raised concerns over its standards of care.

The Commission found the Gloucestershire Royal Hospital was failing to meet the required standard in six areas, including patient privacy in areas where maintenance was in progress.

Inspectors made an unannounced visit in March.
http://www.bbc.co.uk/news/uk-england-gloucestershire-13333289

86. Leighton Hospital reports no cases of MRSA in 15 months
09 May 2011 – BBC News
Leighton Hospital in Crewe has declared that it has had no MRSA infections in 15 months.

Infection control teams used a number of measures including steam cleaning on wards and screening of all emergency admissions for the infection, as well as a high profile publicity drive to encourage people to wash their hands.
http://www.bbc.co.uk/news/uk-england-stoke-staffordshire-13334072

87. Coalition divided over NHS reforms
09 May 2011 – BBC News
NHS bill: 'Must be shelved in its current form'
09 May 2011 – BBC News
The Government has staved off a Commons challenge to its controversial plans to shake up the health service in England. MPs rejected a Labour call for the proposals to be abandoned, but the coalition's parliamentary majority was cut by more than a third.
http://www.bbc.co.uk/news/uk-politics-13342573
http://www.bbc.co.uk/news/uk-13340584

88. Patient Level Information and Costing Systems (PLICS), and Reference Costs Best Practice Guide
09 May 2011 – DH
A guide seeking to identify areas of cost and activity which PLICS organisations need to consider, to enable them to produce reference costs and offers best practice suggestions to aid the production of reference costs data.

89. GPs warn NHS could 'unravel' if health bill goes ahead
09 May 2011 – BBC News
GPs voice fears over NHS reforms set out in Health Bill
09 May 2011 – BBC News
The Royal College of GPs say that the Government needs to rewrite a key part of its health bill which encourages greater competition.

College chairman Dr Clare Gerada said if not, the bill risked "unravelling and dismantling" the NHS in England.

The claims were rejected by the Government.
http://www.bbc.co.uk/news/health-13329031
http://www.bbc.co.uk/news/health-13330237

80. Q&A: The NHS shake-up
09 May 2011 – BBC News
Article on how the Government intends to overhaul the way the NHS in England works.

Under the plans, GPs will be given more responsibility for spending the budget in England, whilst greater competition with the private sector will be encouraged.
http://www.bbc.co.uk/news/health-12177084

81. Ed Miliband urges government to shelve 'bad' NHS bill
09 May 2011 – BBC News
Labour leader Ed Miliband has called for the Government to "dump" its controversial bill on NHS reforms and "go back to the drawing board".
http://www.bbc.co.uk/news/uk-politics-13335447
89. The National Health service (Dental Services) (Capitation and Quality Scheme Agreements) Directions 2011
09 May 2011 – DH
Directions on the NHS dental contract.

90. Dental Quality and Outcomes Framework
09 May 2011 – DH
The Dental Quality and Outcomes Framework (DQOF) now forms part of the arrangements for piloting aspects of reforms to the NHS dental contract. The DQOF will measure the performance and clinical outcomes of dentists' work.

This supersedes Dental Quality and Outcomes Framework version 1.

91. NHS ‘failure’ to spot blood clots costing millions
10 May 2011 – BBC News
Figures released by the NHS Litigation Data show that doctors are failing to spot deadly blood clots and as a result, costing the NHS over £112m in legal claims since 2005.

The data reveals how much has been paid out to patients and their families as a result of medics failing to screen for or give treatments to prevent the condition.
http://www.bbc.co.uk/news/health-13333749

92. NHS reforms: Gerry Robinson’s view of Andrew Lansley plans
10 May 2011 – BBC News
Businessman and management troubleshooter Sir Gerry Robinson says that a lot in the Government’s planned changes for the NHS makes sense.

Robinson investigated management of the NHS for a TV series, but he said the proposals were confusing and NHS staff did not understand the plans.
http://www.bbc.co.uk/news/uk-politics-13346858

93. Devon NHS dentist to pilot new ‘quality’ scheme
10 May 2011 – BBC News
An NHS dentist from Devon is going to take part in a pilot scheme which will see him paid for the quality of his work - rather than the quantity.

Andrew Curtis from Castle View surgery in Tiverton is one of 62 dentists in England chosen to participate in the scheme and the aim is to allow NHS dentists to concentrate more on long-term improvements in people's oral health.

The pilot will begin in the summer and last for a year.
http://www.bbc.co.uk/news/uk-england-devon-13346650

94. Health reform: A suitable case for treatment?
10 May 2011 – BBC News
The Government has declared that it's a "pause", a "moratorium", and that it certainly looks like a "rethink".

The Health Secretary Andrew Lansley’s "Plan A" for the Health Service appears to be, as Jon Sopel put it on the Politics Show (08.05.2011, BBC One), "dead in the water".
http://www.bbc.co.uk/news/uk-england-devon-13346650

95. New online tool brings all related NICE guidance together for first time
10 May 2011 - National Institute for Health and Clinical Excellence (NICE)
NICE has launched 'NICE Pathways' at its annual conference in Birmingham. An online tool for health and social care professionals, NICE Pathways brings together all connected NICE guidance on a topic in a user-friendly electronic flowchart.
http://www.wired.gov.net/wg/wg-news-1.nsf/lfi/DNWA-8GQF9E

96. Lansley remains defiant over NHS reform
10 May 2011 - Health Service Journal
Andrew Lansley has refused to abandon the "principles" of his NHS reforms as he fights mounting political pressure over the radical shake-up proposed in the Health Bill.

97. NHS ‘urgently needs decisions to avoid disarray’
11 May 2011 – BBC News
The NHS Confederation and British Medical Association is calling for the NHS in England to have rapid decisions on the health bill in order to avoid disarray.

The call came as the Government discusses making wide-ranging concessions.
http://www.bbc.co.uk/news/health-13349729

98. GP group backs NHS reforms in Telegraph letter
11 May 2011 – BBC News
A group of doctors from GP consortia in England has announced their backing of the NHS reform plans wholeheartedly.

In a letter published in the Daily Telegraph, they said they wanted the Government to press on with its Bill.
http://www.bbc.co.uk/news/health-13356938
99. NICE launches Pathways online tool
11 May 2011 - National Institute for Health and Clinical Excellence
NICE has launched a new online tool for health and social care professionals which, for the first time, brings together all connected NICE guidance on a topic in a user-friendly electronic flowchart.
http://www.wired.gov.net/wg/wg-news-1.nsf/lf/DNWA-8GQMVW

100. Diagnostics waiting times & activity data, month ending 31 March 2011
11 May 2011 - DH
The following statistics were released by the Department of Health:

The monthly data published today gives the waiting times for 15 key diagnostic tests carried out in the NHS.

More information, including a diagnostic data Q&A, is available on the DH website.

Main findings this month

• The number of patients, for whom English commissioners are responsible, waiting over 6 weeks for any one of the 15 key diagnostics tests at the end of March 2011 was 10,800, an increase of 2,800 from February 2011, and an increase of 7,000 from March 2010.
• Of the patients waiting at the end of March 2011, 98.1% had been waiting under 6 weeks, compared to 98.5% in February 2011, and 99.3% in March 2010.

Diagnostic data:

101. Gagged CQC employee slams regulator at Mid Staffs inquiry
11 May 2011 - Health Service Journal
The Care Quality Commission tried to gag the doctor who led the Healthcare Commission’s investigation into Mid Staffordshire Foundation Trust, it was said when giving evidence to the inquiry.

102. Delayed transfers of care
11 May 2011 - DH
A letter regarding delayed transfers of care from Alan Hall, Director of Finance, and Glen Mason, Director for Social Care Leadership and Performance, Department of Health has been published

103. Safeguarding the NHS for the future
11 May 2011 - DH
Marking the first anniversary of the Coalition Government, Health Secretary Andrew Lansley set out the progress made delivering the health commitments in the Coalition Agreement.

Mr. Lansley said:

“Over the last 12 months, we’ve made great progress in building a stronger NHS for the future - from giving patients more choice and control over their care, to reducing bureaucracy and waste in the NHS, whilst keeping performance up. “We are investing an extra £11.5 billion and reinvesting every penny of efficiency savings back into frontline care, meaning £1.7 billion a year by 2014/15 will be reinvested to improve services for patients.

“We’ve taken swift action to have a cancer drugs fund, recruit more health visitors, rolled out nurse-led unannounced hospital spot-checks, and ensuring proper support is in place for patients being discharged from hospital to prevent unnecessary readmissions. The number of monthly breaches of mixed-sex accommodation has gone down since we started to publish the data. We have also removed bureaucratic targets while keeping waiting times remain broadly stable.

“We have clear support for the principles of reform and we are listening and reflecting so we can give better effect to those principles. During this pause, there will be over 200 events across the country. We have already received over 700 letters, over 1000 comments on the website, and 400 responses from patients, public and NHS staff. But we encourage more people to participate and safeguard the future of the NHS.”

Key achievements include:

Giving patients more choice and power:

• More data easily available to patients and the public than ever before – including weekly publications on MRSA, C. Difficile, and A&E and ambulance performance.
• Additional money to support people back into their homes after a spell in hospital - £70 million last year, £150 million in 2011/12, and £300 million every year from 2012/13 to 2014/15.
• Changed the rules on how hospitals are paid to make them responsible for patients for 30 days after discharge, ensuring the best care and best support services for patients after they leave hospital. Reducing bureaucracy and waste:
• Every penny saved from efficiencies will be rein-
vested into frontline services to improve quality for patients, along with the additional £11.5 billion that will be invested in the NHS by 2015.

- Since May 2010, the NHS has gained 2,500 more doctors and has 3,000 fewer managers.
- £700 million of savings on NHS IT contracts.
- Improving NHS performance:
  - Waiting times remain low, inpatients waiting for an average of around 9 weeks and outpatients for just 3.5 weeks.
  - The number of times patients placed in mixed-sex accommodation without clinical justification has fallen by over 4,200 from 11,802 in December – a fall of 36 per cent.
  - C. Difficile infections have fallen by a fifth and MRSA infections have fallen by a quarter.

Investing in the future:

- The new Cancer Drugs Fund will see £600 million invested over the next three years to help cancer patients get greater access to cancer drugs their doctors recommend for them.
- Up to £400 million over the next four years will mean that a person’s mental health is treated with the same importance as their physical health. This funding will help an extra 3.2 million people access NICE-approved psychological therapies.
- There is a new drive to recruit 4,200 health visitors over the next four years.

Modernising the NHS:

- The first ever ‘NHS Outcomes Framework’ was published in December to shift the NHS focus towards the things which really matter most to patients.
- Over 6,500 GP practices have come forward to form GP consortia covering almost 90% of the population.
- 9 in 10 councils are establishing Health and Wellbeing Boards
- Clear, national quality standards have been published for eight conditions: chronic kidney disease; dementia; depression in adults; diabetes in adults; glaucoma; specialist neonatal care; stroke; and venous thromboembolism.
- Up to 25,000 NHS staff – delivering almost £1 billion of NHS community services – are transforming themselves into social enterprises, supporting the Government’s Big Society agenda.

The Government introduced the Health and Social Care Bill in January 2011 which set out plans to modernise the health service to ensure it can meet the demands of an ageing population and rising costs of treatment, and safeguard it for the future.

The Government has used the natural break in the Parliamentary timetable to take the opportunity to pause and listen to views on plans to modernise the NHS. The NHS Future Forum has arranged over 200 separate discussions and meetings to listen to doctors, nurses, patients and public representatives. This week alone, 11 listening events were arranged for Future Forum members, Ministers and clinical leaders. We are working with patient organisations and the NHS at local level to arrange meetings in every region across the country.

12 May 2011 - DH

The following statistics were released by the Department of Health:

Dental Commissioning for the quarter ending March 2011.

This data shows the number of Units of Dental Activity (UDAs) commissioned as at 31st March 2011. Key findings this quarter:

- All 151 Commissioners (PCTs and Care Trusts) returned data.
- 89.1 million UDAs have been commissioned as at 31.03.2011.
- This represents a decrease of 0.4 million (0.5%) on the UDAs commissioned as at 31.12.2010.

Dental Contracts Statistics:
http://www.dh.gov.uk/en/Publicationsandstatistics/Statistics/Performance/dataandstatistics/PrimaryCare/DH_089886

105. NHS clinical leaders to be boosted
12 May 2011 - Department of Health
At least another 60 clinical fellows will be created this year as part of the National Leadership Council’s drive to improve clinical leadership, the Secretary of Health, Andrew Lansley announced.
http://www.wired.gov.net/wg/wg/hsg/110123
106. NHS funding model is no longer 'resilient' - Britnell
12 May 2011 - Health Service Journal
Mark Britnell, a member of the group called in to advise prime minister David Cameron on the NHS reforms, writes for HSJ on why a serious debate is needed over the way the NHS is funded.

107. Health Select Committee calls for evidence on meeting the 'Nicholson Challenge'
12 May 2011 - Health Service Journal
The Health Select Committee is to review the progress of the NHS in meeting the “daunting” Nicholson Challenge to make £20bn of efficiency savings by 2014-15.
108. PCTs withholding consortia funding, claims NAPC
12 May 2011 - Health Service Journal
Primary care trusts could be setting commissioning consortia up to fail by denying them development funding, the National Association of Primary Care has claimed.

109. Sheffield's four consortia seek joint accountable officer
12 May 2011 - Health Service Journal
The four emerging commissioning consortia in Sheffield are forming an overarching committee, which will have an accountable officer.

110. Patients warned they could be turned away from A&E dept
12 May 2011 - Health Service Journal
Weston Area Health Trust has opened a new urgent care centre in a bid to reduce the pressure on the hospitals accident and emergency department.

111. Senior medical figures criticise post-discharge care
12 May 2011 - Health Service Journal
Senior medical figures have attacked the quality of care for patients coming out of hospital following an operation.

112. Infection target 'unachievable' under new tests
12 May 2011 - Health Service Journal
Trusts that have failed to meet their C difficile infection targets because of changes in how patient tests are carried out are challenging the "achievability" of even tougher measures.

113. Slipman to leave independent FT Network after a year
12 May 2011 - Health Service Journal
The Foundation Trust Network has announced it will become formally independent of the NHS Confederation on 01.06.2011 and will be led by director Sue Slipman until April 2012.

114. Clinical networks to respond to competition fears
12 May 2011 - Health Service Journal
Clinical networks could be given a more prominent role to address fears that greater NHS competition will lead to service fragmentation and greater variations in standards of care.

115. Monitor chair sets out case for competition
12 May 2011 - Health Service Journal
Monitor’s chair has set out a passionate case for increasing competition, choice and local autonomy in order to improve productivity and patient care.

116. NHS reforms: 'Choice could deliver better outcomes for patients'
12 May 2011 - Guardian
David Bennett, the chair of foundation trust regulator Monitor, gave a robust defence of its new and enhanced role proposed under Government’s reform plans as an overall NHS regulator tasked with promoting and controlling market competition.

Speaking at the Cass Business School in London, Bennett said there was evidence from the UK and elsewhere to show that choice and competition in healthcare could deliver better outcomes for patients. But denied the reforms would take the English NHS down the road of the costly and ‘patchy’ US health system. “US-style competition introduced into the English system would reduce quality and increase costs,” he said. "The reforms proposed for the English healthcare system are different. They do not take us towards a US-style health system."

117. Andrew Lansley: NHS services in London will change
12 May 2011 – BBC News
The Government has admitted for the first time ever that health services on the ground in London will have to change because of NHS reorganisation.

The coalition is turning every hospital in London into a foundation trust, with more control over its own spending.

118. Key government plans to change public services delayed
13 May 2011 – BBC News
The Government is now being forced to rewrite the timetable for some of its most controversial policies which means that nearly 90 "milestones" will be changed.

New plans for each department have been published, detailing delays to moves including Royal Mail privatisation.

The exception is the Department of Health, which says it cannot produce a timetable until the current “pause” in NHS legislation is complete.

119. Public perceptions of the NHS and social care
13 May 2011 – NCF
The MORI Tracker Survey of Public Perceptions of...
the NHS and Social Care for December 2010 has now been published on the DH website, at the link below:

http://www.dh.gov.uk/en/Publicationsandstatistics/PublishedSurvey/ListofSurveySince1990/Generalsurveys/DH_4129933

Highlights include:

- For the first time in five years more people think the NHS will get better (34%) than worse (32%);
- Satisfaction with the NHS is still high, 70% of the public they are satisfied with the NHS;
- The vast majority (79%) of the public agree that GPs are best placed to understand which services their patients need, showing that 47% of people think that greater GP involvement will make the NHS better compared with 20% who think it will get worse;
- 70% of people feel safe being treated by the NHS;
- More people think that people are treated with dignity and respect (62%);
- There is a high degree of satisfaction with social care services (73%).

13 May 2011 - DH
Accident and Emergency attendances; total time spent in A&E from arrival to admission, discharge or transfer; and waiting for emergency admission through A&E, quarter ending 31.03.2011.

The main findings for Q4 2010/11 were:

- Across all A&E types, 96.6% of patients spent 4 hours or less from arrival to admission, transfer or discharge. This compares to 96.5% in the previous quarter (Q3 2010/11) and 97.9% for the same quarter last year (Q4 2009/10).
- This quarter the percentage of patients who spent 4 hours or less from arrival to admission, transfer or discharge in major A&E departments only (type 1s) was 94.8% compared to 94.4% in the previous quarter (Q3 2010/11) and 96.9% in the same quarter last year (Q4 2009/10).
- This quarter there were 5.2 million attendances at all types of A&E departments, a 6.4% increase from the same quarter last year (Q4 2010/11) and a 0.4% decrease from the previous quarter (Q3 2010/11).
- For major A&E (type 1s) there was a 5.4% increase in attendances over the same quarter last year (Q4 2009/10) and a 0.7% decrease from the previous quarter (Q3 2010/11).
- Of the 3.4 million patients who attended major A&E departments (type 1s), 25.8% or 0.88 million needed to be admitted to hospital. Of these, 96.3% were placed in a bed in a ward within four hours of a decision to admit. This compares to 96.6% in the previous quarter (Q3 2010/11).

Full tables are available here http://www.dh.gov.uk/en/Publicationsandstatistics/Statistics/Performancedataandstatistics/Cancelledoperations/index.htm

122. Reforms, standards of care and GPs role in running the NHS
13 May 2011 - The Times, Letters to the Editor
Four letters on the issues; George Gill expresses the hope that patients legal right to challenge GP health choices will be extended to challenging care homes.
Lorraine Brown is baffled by how her family GP can be responsible for the care planning of consultants to whom the GP referred the patient and what additional choices could the GP make! Paul Hykin says that GPs who can’t run an efficient appointments schedule and no meaningful out-of-hours service should not be asked to run the NHS. David Terry writes it too is absurd to expect one local hospital to be able to offer the very best treatment for all conditions.

123. Leeds NHS staff in protest over cuts and reforms
14 May 2011 – BBC News
The Leeds Keep Our NHS group is organising the
event in Millennium Square to raise awareness and encourage people to get involved against cuts to local health services and proposed changes to the NHS.

http://www.bbc.co.uk/news/uk-england-leeds-13389828

124. Trust me, I’m Dr obsessed
15 May 2011 - The Sunday Times

Article about Health Secretary, Mr. Lansley, the changes in him following the widespread condemnation of his proposed NHS reforms and his views of the listening exercises.

125. The NHS needs a doctor, not a priest
15 May 2011 - The Sunday Times

A considered study on effecting political change and why Lansley ought not to continue going it alone.

Nursing

126. Somerset College loses adult nursing degree
13 May 2011 – BBC News

The University of Plymouth is ending its Diploma HE Adult Nursing programme which is run from Somerset College. The College said that it is the “wrong decision”.

The university said it was “no longer financially viable” to run the course at Taunton, Plymouth and Truro.

http://www.bbc.co.uk/news/uk-england-somerset-13375149

Older People

127. Learning music ‘improves listening’
12 May 2011 – Age UK

Researchers say that musical training can help prevent a decline in older people’s listening ability.

A study was carried out in the US, and showed that learning music can offset some of the effects of ageing, while years spent playing a musical instrument ‘fine tunes’ the nervous system.

http://www.ageuk.org.uk/latest-news/learning-music-improves-listening/

128. Who will be able to afford to retire?
12 May 2011 - Newswire – CII:


Using existing data the report’s analysis provides an insight into the savings required to fund retirement once costs associated with long-term care and debt are taken into consideration. Comment is provided by expert stakeholders from across the sector.

Press release & link to report ~ Preparing for automatic enrolment – Regulatory differences between occupational and workplace personal pensions ~ Pensions Reform – 2010 onwards ~ Pensions Bill will boost retirement savings for millions ~ ‘The Forgotten Age: Understanding Poverty and Social Exclusion in Later Life’ An Interim Report from the CSJ Older Age Working Group ~ JRF: The material resources and well-being of older people ~ The material resources and well-being of older people ~ EHRC: Just Ageing? ~ EU: pensions ~ Click HERE and then scroll down to item ~ PSPC: Will this be ‘it’, or will they continue to ‘move the goalpost’ every couple of years?

129. The Older People's Commissioner for Wales
13 May 2011 - Dignified Revolution

The Older People’s Commissioner has published a guide to the law in relation to the protection of older people.

130. Parliamentary Questions and Debate from the Past Week

The following section is produced in conjunction with specialists in health and social care, PLMR – Political Lobbying & Media Relations – www.plmr.co.uk

12 May 2011 – House of Lords – Written Question, tabled by Labour Peer, Baroness Turner of Camden, which asked what steps the Government is taking to address the needs of elderly and vulnerable people who are faced with closures of day centres that were previously provided by local authorities. In response, Health Minister Earl Howe stated that the Government recognises the importance of social care services. He also opined that having a personal budget can give people greater choice and control over their care, opening up many more opportunities in addition to attendance at a day centre.

To view the Question and Answer online, click on the following link:

http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/110512w0001.htm#11051252000361

12 May 2011 – House of Lords – Written Question, tabled by Liberal Democrat Peer Lord Jones of Cheltenham, which asked why there is an increase in the
number of patients suffering from mental health conditions. In response, Health Minister Earl Howe, outlined that incidence and prevalence rates for the majority of mental illnesses have remained remarkably static. He added however that the numbers of people being treated are increasing and the reasons for this are complex.

To view the Question and Answer online, click on the following link:
http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/110516w0003.htm#11051625001090

16 May 2011 – House of Commons – Written Question tabled by Fiona Maclagart, Labour MP for Slough, which asked what steps the Government is taking to ensure that local advocacy services meet the needs of people with profound and multiple learning difficulties. In response, Care Services Minister, Paul Burstow, stated that it is up to local authorities to decide how much advocacy they commission, who they commission it from, and how they make it available for people with these needs.

To view the Question and Answer online, click on the following link:
http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110516/text/110516w0003.htm#11051625001090

12 May 2011 – House of Lords – Oral Question, asked by Labour MP for Luton North, Kelvin Hopkins, which asked for a serious debate on the future of all aspects of long-term care, including funding and growing privatisation. In response, Sir George Young, Leader of the House and Conservative MP for North West Hampshire, stated that the Government has asked Andrew Dilnot to chair a commission that is shortly to report on the long-term structure of funding for residential and nursing home cares. He added that once the report was in the public domain, it would then be debated in the House of Commons. To view the Question and Answer online, click on the following link:
http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110512/debtext/110512-0001.htm#11051237001222

12 May 2011 – House of Lords – Oral Question session on the abolition of the General Social Care Council, where Labour Peers expressed concerns over this abolition, questioning whether standards of regulation of social workers would remain at the same under the new system. Replying to the Questions on behalf of the Government, as the House of Lords Health Spokesperson, the Liberal Democrat Peer Baroness Northover explained how the Munro Review strongly recommends that social workers should be regulated in the same way as the Independent Health Professions Council, which is why the General Social Care Council is being abolished.

To view the Question and Answer online, click on the following link:
http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110516/text/110516w0003.htm#11051625001090

131. Single social work college likely to be agreed
09 May 2011 – Community Care
It has been confirmed that the two colleges of social work expect to reach an understanding and come together as one single organisation.

BASW - the College of Social Work was launched by the British Association of Social Workers in January after it was disillusioned with the Social Work Reform Board’s efforts to develop a college in England.
http://www.communitycare.co.uk/Articles/2011/05/09/116760/single-social-work-college-likely-to-be-agreed.htm

132. Job cuts and bigger workloads tempt frontline staff to quit
09 May 2011 – Community Care
A survey by BASW has revealed that 2 in 5 social workers are thinking of leaving the profession in the face of job cuts, increased caseloads and rapidly deteriorating conditions.

Almost all (94%) of the 400 social workers who responded to the College of Social Work’s online survey said it was now harder to carry out effective social work than it was this time last year.
http://www.communitycare.co.uk/Articles/2011/05/09/116767/job-cuts-and-bigger-workloads-tempt-frontline-staff-to-quit.htm

133. 'Teamwork improves social work'
10 May 2011 – BBC News
Consultant social worker, Clea Barry, said that utilis-
ing the different skills of her unit had improved the expertise she could offer, by enabling her to work "more closely and innovatively with families".

134. Kent County Council plans to raise social care charges
10 May 2011 – BBC News
Kent County Council is proposing to increase charges for people using social care in Kent.

The Tory-run authority is writing to 24,500 people who use social services as part of the consultation which runs until 31 July.

Unison has not so far responded. The council must cut £95m this year.

135. Social workers should speak directly to media, says Munro
10 May 2011 – Community Care
The Munro Review recommends that social workers should speak directly to journalists more often to try and improve the media coverage of child protection social work.

136. Dilnot commission to urge overhaul of care eligibility frameworks
11 May 2011 – Community Care
The Dilnot commission on care funding is going to recommend an overhaul of the main eligibility frameworks for adult social care in order to end the postcode lottery for services.

It also looks set to propose the retention of attendance allowance.

137. Law Commission recommends radical overhaul of adult social care law
11 May 2011 – Law Commission
Biggest shake-up in adult care law in 60 years proposed

11 May 2011 – Community Care
'Service users should get direct payments for residential care'

11 May 2011 – Community Care
Social care system 'a mess'

11 May 2011 – BBC News
Call to revamp 'outdated and flawed' social care laws

11 May 2011 – BBC News
The Law Commission's report on the reform of adult social care law suggests restrictions on giving service users direct payments to buy long-term residential care should be abolished to increase choice and control.

The commission said the reform means that users could have greater choice over accommodation, while also bringing residential services into line with non-residential care.

139. Delayed transfers of care: letter from Alan Hall, Director of Performance and Glen Mason, Director for Social Care Leadership and Performance, Department of Health
12 May 2011 – DH
Letter about delayed transfers of care from Alan Hall, Director of Finance, and Glen Mason, Director for Social Care Leadership and Performance, Department of Health.

140. West Sussex protest fails to reverse adult care cuts
13 May 2011 – BBC News
Campaigners opposed to cuts in adult services in West Sussex have failed in their efforts to persuade the county council to reverse its decision.

141. Adult social care spend falls at Surrey County Council
13 May 2011 – BBC News
The adult social care budget at Surrey County Council has fallen from £326.3m in 2010 to £324.9m in 2011-12 but research by the BBC has shown that elsewhere in the South, budgets are being increased by an average of 2.7%.

142. Care offers 'life worth having'
12 May 2011 – BBC News
Care for the most vulnerable people in the community is being reviewed up and down the country, as local councils start dealing with cuts to their budgets from central government.
http://www.bbc.co.uk/news/uk-england-merseyside-13365768

143. North/South spending divide in social care
12 May 2011 – BBC News
England's North-South adult social care divide
12 May 2011 – BBC News
Social care 'variation between north and south'
12 May 2011 – BBC News
The Government narrative around cuts to English council budgets is that there's no reason why frontline services should suffer if local politicians reduce waste and improve efficiency
http://www.bbc.co.uk/news/uk-england-13376148
http://www.bbc.co.uk/news/uk-england-13332882
http://news.bbc.co.uk/today/hi/today/newsid_9483000/9483562.stm

144. Adult care services in Lincolnshire face higher cuts
12 May 2011 – BBC News
Figures from Lincolnshire County Council suggest that adult social care in the county is facing deeper cuts than the average.
The authority spent £140m on services such as home care and day centres in 2010/11 but this is being reduced to £130.6m in 2011/12, a fall of 7%.
A survey for the BBC indicates an average cut of 4.7% in adult care by councils in the north of England.
http://www.bbc.co.uk/news/uk-england-lincolnshire-13373154

145. Social care spending concerns in Cornwall
12 May 2011 – BBC News
There have been warnings that cuts in the adult social care budget in Cornwall is going to lead to significant levels of hardship.
Care home fees have been frozen and there is reduced funding for day care centres and respite care.
http://www.bbc.co.uk/news/uk-england-cornwall-13371054

146. Adult care services in Wirral 'survive budget cuts'
12 May 2011 – BBC News
A council which has made one of the highest cuts to its adult social care budget in England say that its services have not been reduced.
Wirral Council is to make £12m in savings in this area following the central government Spending Review, which requires a 20% cut in funding.
Some savings were made through the controversial closure of five council-run care homes, with care being transferred to independent providers, but previously under-threat Sure Start centres and libraries will remain open.
http://www.bbc.co.uk/news/uk-england-merseyside-13360515

147. Social care in Peterborough set for 7.3% budget cut
12 May 2011 – BBC News
A BBC survey has revealed that Peterborough City Council is planning to cut its social care budget by an estimated 7.3%.
The Conservative-controlled unitary authority said it planned to reduce its spending on social care from £69.6m in 2010/11 to £64.5m in 2011/12.
http://www.bbc.co.uk/news/uk-england-cambridgeshire-13360208

148. Extra funds for Wiltshire home care scheme
12 May 2011 – BBC News
Extra funds are going to be spent on helping vulnerable people in Wiltshire to continue living at home.
http://www.bbc.co.uk/news/uk-england-wiltshire-13352043

149. Law reforms could cut bureaucracy for social workers
12 May 2011 – Community Care
Recent analysis suggests that the overhaul of adult social care proposed this week would cut bureaucracy and save time for social workers.
The Law Commission said social workers might expect to save up to 45 minutes a week because of reduced bureaucracy from a more streamlined legal system.
http://www.communitycare.co.uk/Articles/2011/05/12/116800/law-reforms-could-save-social-workers-45-minutes-a-week.htm

150. Leicestershire County Council's social care cuts pledge
12 May 2011 – BBC News
Services for the most vulnerable in Leicestershire is going to be maintained despite county council budget cuts, the authority has said.
http://www.bbc.co.uk/news/uk-england-leicestershire-13292293

151. Norfolk social care 'is not keeping pace with demand'
12 May 2011 – BBC News
Social care budgets in Norfolk have increased for the current financial year, but fears have been expressed that they are not keeping pace with demand.
http://www.bbc.co.uk/news/uk-england-norfolk-13351548
152. Bristol City Council shifts focus from residential care
12 May 2011 – BBC News
Bristol City Council has said it has been too reliant on putting vulnerable adults into residential care in the past and will now shift the focus to help people live in their own homes, at less cost.
http://www.bbc.co.uk/news/uk-england-bristol-13363213

153. BBC survey examines extent of local council cuts in England
12 May 2011 – BBC News
http://www.bbc.co.uk/news/uk-england-13378679

154. Meals costs leaving a sour taste for Bradford family
12 May 2011 – BBC News
A family whose meals on wheels cost is nearly doubling as a result of social care cuts in Bradford has attacked the changes.
http://www.bbc.co.uk/news/uk-england-leeds-13364020

155. Stoke-on-Trent council making adult social care cuts
12 May 2011 – BBC News
Stoke-on-Trent City Council is apparently making one of the largest cuts to social care in the West Midlands region.
http://www.bbc.co.uk/news/uk-england-stoke-staffordshire-13348745

156. Council care staff vote for industrial action over pay cut
12 May 2011 – Community Care
Care workers and other staff at Southampton Council have voted to take industrial action over the authority’s decision to introduce pay cuts of up to 5.5%.
http://www.communitycare.co.uk/Articles/2011/05/12/116796/social-care-staff-vote-for-industrial-action-over-pay-cut.htm

157. Value of carers outstrips NHS budget
12 May 2011 – Community Care
A study published by Carers UK says that carers save the UK £119bn a year, which is more than the entire cost of the NHS in England.
http://www.communitycare.co.uk/Articles/2011/05/12/116787/value-of-carers-outstrips-nhs-budget.htm

158. Law Commission final report – SCIE response
12 May 2011 – SCIE
SCIE’s Chief Executive, Julie Jones responded to the report:

“We strongly welcome this report, which calls for a single, clear, modern statute and code of practice for adult social care. We told the Law Commission that people who use services and carers are looking to the law to reflect their aspirations and to give them enforceable rights to challenge local authorities and others that are not meeting their obligations. We also said that if a new law is passed, people who use services and carers want professionals from social care, health, housing and related areas, to be fully educated about what is in the legislation, and how it should work in practice.”

“During the consultation, we suggested to the Law Commission that the statute should be based on the single core principle that adult social care ‘should promote or contribute to the wellbeing of the individual and support people to be active citizens’. We said that in many cases, adults should be presumed to be the best judge of their own wellbeing. We’re very pleased that the Law Commission has taken this point on board and is endorsing it.”

“As the body charged with translating evidence into practice materials, we stand ready to assist in the preparation of new codes of practice. This would provide guidance for social service authorities under the new law.”


159. The Munro Review
10 May 2011 – SCIE
SCIE’s Deputy Chief Executive, Amanda Edwards, responded to the publication of the Munro Review:

“The report is a powerful reminder about the experiences of children, the role that social workers play and the reasons that people are so committed to being social workers. As with the interim reports, Professor Munro shows how all safeguarding services can contribute to putting children and their safety at the centre of their work. Just as importantly, what the report says about social work speaks to the profession as a whole, wherever it is practised, including in adult and health settings.”

“The report complements the work of the Social Work Reform Board in its aim to improve and support social work practice. Specifically, it shows how its own recommendations accompany the Reform Board’s Professional Capabilities Framework. SCIE will be leading the development of this work for the Reform Board.”

“We’re very pleased that the Munro Review is recommending that the Government require Local Safeguarding Children’s Boards to use systems methodology when undertaking Serious Case Reviews. It is gratifying that SCIE is recognised as leading the development of this approach in the child welfare field. SCIE, with partners OPM and Barnardo’s, are hosting two free day events for sector leaders from all agencies to introduce the systems approach and share...
information on the SCIE Learning Together model for case reviews. I encourage the sector to attend these events, to hear more about the systems approach and the SCIE Learning Together model.”

Workforce

Nothing to report
Southern Cross; kill or cure?

Ahead of the announcement by Southern Cross of its interim results for the six months ended 31.03.2011 we bring an analysis of the Preliminary results published by the Southern Cross board, for the year ended 30.09.2010 which were circulated to the general public on 07.12.2010.

In arriving at a view 'assumptions' have been made about what future trading results may be like, following several statements made by the Board to the stock market, but excluding the most recent statements about shedding homes.

1. SUMMARY OF TRADING POSITION FOR THE 12 MONTHS TO 30 SEPTEMBER 2010

1.1. Registered trading care homes = 752

1.2. Registered beds 38,603. Although a recent statement issued by the Board suggests that circa 1200 shared beds have subsequently been 'decommissioned'. So for the basis of this analysis, it is assumed that the business is currently trading from 37,500 'operational' beds.

1.3. Average occupancy 84.8% of registered beds = 32,753. The board have recently suggested that resident numbers were actually 'around' 31,000, which suggests that average occupancy is nearer to 83% of 'operational' beds and 80% of registered beds.

1.4. Revenue generated £959m (quoted by the board as 78% is LA/NHS which means 22% comes from private payers). Jamie Buchan states in his report that his goal 'is to improve private fee payers to 22%'!!

1.5. Average fee £558 per week. This will be higher than the 'norm' because of the large proportion of nursing beds operated by Southern Cross.

1.6. Pre Central costs EBITDAR £281m

1.7. Adjusted EBITDA £53m

1.8. Home payroll costs £558m (58.2% of the revenue reported in 1.4 above).

1.9. Home running costs quoted as 12.5% = £120m

1.10. Rent £248m (including £51.3m of non cash).

1.11. Depreciation £27.1m

1.12. Termination of onerous contracts cost Southern Cross £11m (i.e. two care homes were closed down and Southern Cross had to compensate the landlords). The board says such costs ought not to be recurring.

1.13. Central costs £36.8m (including £6.3m exceptional costs which the Board claims totally relates to the New Horizons programme). A further £6m is earmarked for this programme in 2010/11 financial year but then costs should cease.

1.14. 14 care homes remain on the Balance Sheet at a value of £14m. Southern Cross doesn’t say how many beds these 14 homes have, but by the fact that each has a 'value' of £1m each suggests that either they are very small facilities or of poor quality, with little or no commercial trading value.

1.15. The Balance Sheet states that Southern Cross’s 'fixed' assets, contain £118m of plant and equipment and £219m of Goodwill. In a failing business plant and equipment is virtually worthless and there can be no value placed on Goodwill. In effect therefore the Balance Sheet has virtually no assets other than £25m of Deferred tax - and should Southern Cross ever go bust then there is potentially a further £300m+ waiting to hit the Profit & Loss (P&L) account.

1.16. Within current assets (i.e. those that can be changed into cash very quickly), the business reports that it has £70m (of which £1.2m is cash, £32.6m are debtors and £14m being the 14 poor assets which are likely to be unsalable, so not really worth anything significant. Whilst it is assumed that the debtors are all ‘genuine’ and therefore ‘collectable’, one would question whether all of this would be turned in to hard cash.

1.17. The business reports £21.3m of ‘other assets’ but fails to report what these might be. It might represent prepaid costs that will hit the P & L account post the year end and therefore not assets that can be changed into cash. The overall ‘liquidity’ of the business is clearly under great strain and relies on the rapid movement of cash in, of which the bulk of it goes out very quickly in salary costs and home/central overheads. It is therefore not surprising to be reading about the company’s inability to meet its quarterly rental payments.
Southern Cross; kill or cure? (continued…)

2. ASSUMPTIONS GOING FORWARD FOR THE YEAR TO 30 SEPTEMBER 2011

2.1 No material change in the number of registered trading care homes

2.2 Beds capable of generating revenue drop to the 'operational' number reported above of 37,500

2.3 Average occupancy continues to steadily decline (the board have already stated that). From April 2011 occupancy is averaging at 80% (reasonable assumption), and means that actual number of residents that Southern Cross now look after is about 30,000.

2.4 Average fee between October 2010 and March 2011 remains static but then drops from April 2011 by 2.5% to £544. This would not be an unreasonable assumption given what we are currently seeing in the market place.

2.5 As a result of 2.3 and 2.4 above, overall revenues drop from £959m to around £900m

2.6 Staff costs remain static reflecting a decrease in overall staffing numbers but an increase in an individuals payroll cost due to increases in National Minimum Wage in October 2010 (bear in mind another 'hit' looming in October 2011). Also employers National Insurance contributions increase from April 2011 by a further 1%.

2.7 Home payroll costs therefore remain relatively unchanged at £558m and now represent 62% of turnover.

2.8 Care home overheads of £120m, do not decrease due to higher than average R & M (no investment) and higher energy costs. Overheads now account for 13.63% of turnover which is not unreasonable. The Southern Cross board say they are 'refining' their purchasing strategies, but it is unclear how this will save anything given that a lot of the assets are in bad shape already.

2.9 Rent increases by 2.5% (as quoted by management), although rent increased by £7.7m (+3.22%) according to the notes accompanying the statutory accounts. A 2.5% increase equates to £6.2m additional rent in the year 2010/2011. Rent therefore increases to £254m of which say £53m is non cash.

2.10 Depreciation remains relatively static at £27.1m (so assumes write down of R & M at circa 20% per annum which is not unreasonable). Bear in mind though cash has to be generated to renew such plant and equipment. Which is not happening at the moment and so could lead to more costly upgrades going forward.

2.11 No further termination of onerous contracts - although quite clearly there could be.

2.12 No write off of goodwill (although in reality there should be) and no further write down of the remaining 14 care homes that are still shown as 'stock for resale'.

2.13 Central costs remain static. New Horizons second year costs incurred and whilst some savings are made, additional costs due to the new board are likely to be incurred.

2.14 Business now starting to use cash to support its business activities. Suggest an average overdraft facility of £35m being used at say 5% cost. The business had £29.7m of undrawn facilities at 30 September 2010 but will be utilising some of this facility now to support its working capital. Lease payments were also £1m during the last year and are likely to continue or increase if asset investment is needed but cannot be funded via other traditional methods.

3. BASED ON ABOVE HISTORICAL DATA AND FUTURE TRADING ASSUMPTIONS - WHAT MIGHT THE BUSINESSES FINANCIAL POSITION LOOK LIKE AT 30 SEPTEMBER 2011?

Are you sitting comfortably?
Then I will begin…

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<thead>
<tr>
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<th>£m</th>
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<tr>
<td>Turnover</td>
<td>900</td>
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<tr>
<td>Direct costs</td>
<td>(558)</td>
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<tr>
<td>Rent</td>
<td>(254) - including £53m non cash</td>
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<tr>
<td>Home overheads</td>
<td>(120)</td>
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<tr>
<td>Depreciation</td>
<td>(27)</td>
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<tr>
<td>Central costs</td>
<td>(37)</td>
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<tr>
<td>Pre finance loss</td>
<td>(96)</td>
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<td>Finance costs</td>
<td>(3)</td>
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<tr>
<td>'Forecasted' Pre tax loss</td>
<td>(99)</td>
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Southern Cross; kill or cure? (continued…)

Given the above it is unlikely that Southern Cross will report a loss below £75m for the year ended 30 September 2011 and it is possible that a loss of up to £100m might be reported. Much will depend on whether management has been able to protect against a reduction in average fees and bring about an increase in occupancy. If they can then they will be unique in the current climate.

The above assumes that there are no further write downs of remaining assets (this seems mistaken if Southern Cross does close 50 care homes as reported – see ‘Business’ above) no additional provisions for restructuring and no further goodwill or other asset write downs (such as bad debts). All of which could be forced upon management, bearing in mind that Southern Cross is a public company, by the auditors because of the deteriorating trading position.

Home EBITDAR could be dropping close to £220m (£281m in the year to 30.09.2010), and post rent, pre central costs EBITDA, may reach minus £32m compared to plus £33m in the year to 30.09.2010.

From a cash flow perspective, the non cash items of depreciation and future rent reviews help the position (bear in mind there is over £200m of future rent reviews accrued on their Balance Sheet as liabilities to be paid - but unlikely to be paid as a result of the ongoing discussions with the landlords). So the £80m of 'non cash' can be added back as this is not and will not be a cash drain on the business. Notwithstanding, on the above projections, the business will still need between £20m and £40m of cash in the year to meet its current obligations. That tends to suggest that the business is starting to use cash (as it appears to be doing - because no assets left to sell - and revenues are dropping) - and really does need the support of the Banks, whilst management tries to secure some immediate savings by reducing the rent demands of its landlords.

4. THE FUTURE FOR SOUTHERN CROSS

From the minute that the credit crisis struck and stopped management from doing further Sale and Leaseback deals (which basically camouflaged the underlying financial performance of the business and the then management - by implying the business was successful simply because revenue streams were growing - always remember turnover is vanity, profit/ cash is sanity!), then this business had huge financial problems. Granted the parlous state of the business has been exacerbated recently by falling occupancy, fee levels remaining static or being cut, overheads rising and the rent of its assets rising, but in truth the business model upon which Southern Cross was built was doomed to failure from its early inception - and only temporarily succeeded because of the UK property market boom at the time.

'Good' performing assets were acquired at exceptionally high values (former Hadrian stock acquired from Avery) and 'poor' performing assets were acquired extremely cheaply. The underlying factor though in all of the transactions was the level of rent agreed by former management when acquiring these assets. If the assets were performing well, then generally the rent was extremely high, in order to make the capital value stack up from an acquisition perspective. If the asset was underperforming, then generally there was a reason for such underperformance, but it was not reflected within the rent payments that Southern Cross took over or committed themselves to.

Southern Cross is reported as having 752 trading care homes, of which we must assume 738 have been sold and leased back and only 14 remain on the Balance Sheet - which as we have also established already, are likely to be of poor quality and of little commercial value. Current rent agreements indicate that the annual rent bill is rising at somewhere between £6m and £8m per annum. A 2.5% pay rise plus an extra 1% NI contributions (as awarded by the coalition government), will add around £10m to £15m per annum to the direct cost base. With energy costs, premises repairs, food and other general overheads (lets not forget CQC registration fees rising by 28% on average - which adds £1m to Southern Cross costs alone), one suspects that other 'general' overheads will increase by between £5m and £10 over the next 12 months.

It is easy therefore to see that Southern Cross’s costs (excluding finance but including rent) could rise by as much as £25m over the next 12 months. To simply stand still, that would mean overall existing revenue growth of circa 3%, at a time when occupancy levels are decreasing. LA fees are static or decreasing and PCT's are looking to decrease cost of Continuing Healthcare funding by as much as 10%. So the
Southern Cross; kill or cure? (continued…)

chances of Southern Cross being sufficiently resilient to cope with all of these financial pressures is of concern. Indeed, one might see a position that worsens much more rapidly unless some quick and decisive action is agreed and taken.

Rents have to come down and come down quickly, but reducing rent alone will not solve this organisation’s troubles. Somewhere between 6,000 and 8,000 beds need to be closed or if possible moved onto other operators. If moved to other operators it assumes other operators are willing to take these assets, (and to take assets which Southern Cross wish to lose), then that suggests they would have to be the better stock and probably on lower rents than Southern Cross is currently paying. This would only make Southern Cross’s position worse, whilst not exactly offering to landlords either a deal which protects their own financial position. So the former option of closing down between 6,000 and 8,000 beds and relocating the bulk of the residents (if possible) to other Southern Cross assets seems fundamentally more attractive. However, relocating residents, speaking with families/LA commissioners/CQC and relocating staff (if need be - but one would hope savings follow via redundancies) is a logistical nightmare for management and the various authorities and other bodies.

On top of all that, one has the financial consequences of this strategy.

 Those Landlords affected will certainly lose out financially (and potentially significantly) and the banks supporting such landlords will also have to be prepared to take a significant financial ‘hit’ as well. The ‘alternative use value’ of a converted, under invested in care home will not be that great and in truth, if one assumes a value of £75k a bed for investment purposes, then closing these assets down may mean crystallising around 2/3rds loss in value. Closing 8,000 beds may mean crystallising a loss on these assets of circa £400m. But these losses may pale into insignificance if Southern Cross actually goes to the wall.

Once the beds have been lost (this could account for up to 200 care facilities), then the remaining stock may well have occupancy levels that at least protect revenue streams. However, the remaining 500 plus care homes which remain will also require a rent reduction in order to operate solvently. There would need to be a reduction in rent of around 25% of the current rate - which is quoted by current management to be averaging around £6,300 per bed. Only when that happens and one can get the assets back to generating between £9k and £10k a bed pre central pre rent EBITDA, will the business have sufficient revenue strength to start re investing back into the core assets. At a rent of say £4,800 per bed, then the business (if managed efficiently) should be able to give a rent cover of between 1.8 and 2 times cover. One suspects that investment in the remaining stock will be needed quite urgently if occupancy is to be protected and accordingly would suggest anything between £200k and £400k per care facility will be needed for a sizeable proportion of the stock. That tends to suggest that on top of the initial closure of assets and a rent reduction of those that remain, at least a further £100m will be needed to get the stock back to a standard that meets the care requirements of looking after vulnerable elderly people in the 21st century. In truth £100m may seem quite light in the circumstances, so potential investors should brace themselves for a cash requirement probably double that quoted.

How much money have you got in your ‘rainy-day’ savings account people?

5. CONCLUSION

Southern Cross is a problem of mammoth proportions, which to be frank, was caused by the original management/Blackstone riding the property boom in the early to mid 2000’s. The situation hasn’t though been helped much subsequently. The banks appear less than competent in how they have funded/evaluated this business and indeed investors have been very naive when investing their funds in to Sale and Leaseback deals (but if it was borrowed money it was ok wasn’t it?).

The great betrayal is that not once were the old/ vulnerable people considered in all of this - until recently when the crisis is waiting to unfold. It is as though the previous management, the banks and the investors have regarded people as a commodity that can be bought or sold. It is poor for this to be happening in 2011.

Bear in mind this is but an opinion of the state of Southern Cross and in truth it may not be anywhere near as bad as outlined. Having said that it could be worse!
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