

Crawley News - Wednesday

June 8, 2011

10 News, Wednesday, June 8, 2011

RCN-EO1-S2

# Care home's future is in the balance

## Parent company in financial crisis

Report by Dave Comeau

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THE future of a care home in Copthorne has been left in doubt following a warning that its parent company is in a "critical financial condition".

Orchid View, which specialises in looking after people with dementia, is owned by Southern Cross Healthcare, the UK's biggest care-home company.

Southern Cross announced half-year losses of £311 million and said it would be reducing its rent expenditure by around 30 per cent over the next four months.

This has led to fears that some of its 750 care homes, including Orchid View, in Bowers Arms Road, could close, leaving thousands of vulnerable elderly people to find alternative homes.

A spokesman for Southern Cross said he could not provide any information about the future of individual care homes.

The Government is in regular contact with the company and local authorities, who are devising plans for all eventualities.

A West Sussex County Council spokesman said: "We have drawn up contingency plans as a result of the difficult financial situation of Southern Cross Healthcare, which has five care homes in West Sussex."

"The county council will ensure that the care of all residents in West Sussex homes is



FUTURE IN DOUBT: Orchid View care home

unaffected, as far as possible.

"We are working with Southern Cross Healthcare, the Care Quality Commission and the NHS to ensure that the care and wellbeing of residents, should changes be necessary, is protected."

Southern Cross's confidence that landlords will accept rent reductions has been met with scepticism by industry experts, who have warned that landlords

risk going into administration by agreeing.

But Christopher Fisher, chairman of Southern Cross, said: "Those landlords that do not want to take part in the longer term restructuring will be able to review other options but it is in everyone's interests if this is part of a larger, managed and orderly process."

Southern Cross has said it will issue an update in July.



Crawley News

Weds 26 June 2013

26 June 2013

# 'They left her naked in the bathroom - she went blue'

## Relatives share horror stories about care home's failings

Report by Chris Ballinger

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RELATIVES of pensioners who lived at a failing care home have told of their regret at ever allowing a loved one to stay there.

Last week Bupa announced it is shutting down Oakhurst Grange Nursing Home following a string of damning inspections by the Care Quality Commission.

Standards at the home fell short in five inspections between July 2012 and February 2013 and all residents now have to be found new homes.

This week Crawley residents who have had family members live at the home in Goffs Park Road, Southgate, have shared their shocking experiences.

### Stank

Alison Fortenza's mother, Peggy Charles, lived in the home for just over a year before the family became so worried at how she was being treated they moved her out in November 2012.

Mrs Fortenza, 54, from Telham Court in Bewbush, said: "The very first time I walked through those doors I wasn't happy. I thought the place absolutely stank."

"My mum was highly dependent because of her dementia and there weren't enough staff to support her. At one point she was attacked by another resident."

"Nobody seemed to know what was going on and some of the staff had an attitude. We had two meetings with the management but nothing was done."

"My mum suffered a fractured pelvis and foot while there, just to name two injuries, and no one seemed concerned about this."



**REGRETS:** Alison Fortenza with a photo of herself and her mum Peggy, who spent an unhappy year in Oakhurst Grange Nursing Home

HEA 2013/00271-C-004 © Photo by Sally Lamm

"We spent months trying to move her out and eventually got her a place in Butleys Wood where she passed away earlier this year."

"I am certain Mum would not have died as soon as she did if she had never gone to Oakhurst Grange."

Kay King's mother, Pam Parrell, was a

resident in the nursing home for about two years before she died there six years ago yesterday (Tuesday) at the age of 79.

Mrs King, 65, of Monksfield in Thra Bridges, said: "My brother and I wish it this day that we had taken her word for what was going on."

"She had had several strokes so she would say things, such as 'they grab me', that I thought was due to the dementia."

"I started to feel concerned after about a year of Mum living there when I noticed she had bruises down her side."

"I approached staff who said she had a fall, which I accepted as she was very unsteady on her feet - now I wonder, did she?"

### Sobbing

"I reached the stage that whenever I visited her and a certain nurse would walk past the door my mum would start screaming 'don't let her near me'. She would be sobbing and begging me."

"The worst moment I witnessed was when two nurses were standing in Mum's room but she was nowhere in sight."

"They had left her in the bathroom naked and she had turned blue with cold. I went absolutely ballistic at them."

"The majority of staff were very caring, but as a family we felt Mum was not always looked after as she should have been."

"My heart goes out to those that are left and hopefully they will be found homes that are better managed."

Residents have now started to move out and a deadline of July 31 has been set for everyone to have been found new suitable accommodation.



Crawley News, Wednesday, 5 June 2013

News

RCN-EO1-82

# Nurse allowed to return to work

## Strict conditions for Sharon Gilmore

Report by Chris Ballinger

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A NURSE at a care home which faced a major police probe into the ill-treatment of patients has been given permission to return to work – but only under strict conditions.

Sharon Gilmore was suspended from nursing in May 2012 following an investigation into practices at Orchid View care home in Bowers Arms Road, Copthorne.

Police launched an investigation after a coroner raised concerns about the unusually high number of deaths at the home.

Ms Gilmore faced a Nursing and Midwifery Council review hearing into her work at the care home to decide whether the suspension should be lifted.

### Arrested

She was arrested at the time of the investigation but no charges were ever brought forward and the probe ended in January.

The hearing, which Ms Gilmore did not attend, was held at the Old Bailey in London, on May 22. This was the fourth review of the 18-month suspension order.

Ms Gilmore faced allegations that medication charts for 36 residents were found stuffed in drawers and filing cabinets, instead of being with residents' records.

She also faced accusations she had been at fault for "numerous medication administration errors".



**SHUT DOWN:** Orchid View Care Home was shut down following a police investigation and has since been reopened by another care provider

**NURSE REINSTATED AT CARE HOME**

■ For more on the investigation, visit our website and search for Orchid View

crawleynews.co.uk

At the hearing, Jessica Holmes, representing the Nursing and Midwifery Council, outlined findings from the safeguarding investigation reports.

She said: "There was a failure in the duty of care to ensure correct assessments, care planning and record keeping in relation to a number of residents at the care home, at which Ms Gilmore was the clinical lead."

Ms Holmes argued there was still a

risk of harm to the public and a risk of repetition of the alleged failings if Ms Gilmore was allowed to practice again. In defence of Ms Gilmore the panel heard positive references from former managers and a letter from a doctor. Dr Proter said Ms Gilmore "was the one who kept the place running, against all the odds".

Although the panel concluded there would be a "significant risk" to the public if she was allowed to practice, its members agreed workable conditions could be put in place. The suspension order was lifted and replaced with a "conditions of practice" order.

Among the conditions are that Ms Gilmore must not administer any medication unless supervised by another registered nurse until she has been assessed as competent.

# Orchid View families in call for public inquiry

Crawden Observer

Wednesday

11 June 2014

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**The daughter of a pensioner whose death was attributed to neglect at a care home has called for a complete overhaul of the monitoring system.**

Jean Halfpenny, 77, was one of 19 people who died at Orchid View, in Copthorne.

An inquest ruled her death and those of John Holmes, 85, Enid Trodden, 86, Margaret Tucker, 77, and Wilfred Gardner, 85, could be attributed to neglect at the home, which was run by Southern Cross Healthcare.

On Monday (June 9), a 100-page report from the independent Serious Case Review (SCR) was published and made 30 recommendations aimed at ensuring the 'systematic abuse' suffered at Orchid View never happened again.

The SCR was commissioned by West Sussex Adult Safeguarding Board and chaired by Nick Georgiou. Among the recommenda-

tions was a call for stringent checks to be carried out to ensure staff had the qualifications they claimed.

While the report acknowledged the recommendation was "essentially stating the obvious", Mr Georgiou said: "The situation is that Southern Cross health care failed to ensure that it's staff did provide a good service. It is very important that unqualified staff get the opportunity to develop."

"Unqualified staff are the backbone of what happens in these care homes."

The lack of information made available to families was also highlighted.

Criticising the "distress and awful situations" endured by families, Mr Georgiou said it was "critically important" for people to be able to make decisions for their relatives based on "full information".

Such information would include the fact Orchid View had no registered manager for most of the time it was open, a situation the report said was

given "too much tolerance".

Judith Wright, chairman of the adult's safeguarding board, said: "Nothing can bring back the people they have loved and lost but we will work hard to make sure the recommendations outlined in this report are adopted."

Speaking after the publication of the SCR, Mrs Halfpenny's daughter,

*"To lose them like this and to find out what happened to them is heart-breaking"*

Lynzi Collings, described the frustration felt by the relatives of those who died that no one

had been held accountable for the problems at Orchid View.

Mrs Collings, 43, said she felt care home residents funded by the NHS received better protection than those who funded themselves.

Insisting the way care homes were regulated needed "over-hauling", she backed calls for a public inquiry.

She said: "We welcome the review's findings and recommendations but still feel frustrated that there is still a lack of accountability for how severe the problems became be-

fore action was taken.

"There's just an awful lot of loopholes in the law and it's massive, which is what this has highlighted. Unless there is a public inquiry, who is going to ensure that these recommendations are followed? "Unless it all falls under the umbrella of a public inquiry, it's going to be very piecemeal and it won't move forward."

Mrs Collings said her mother, whose care was privately funded, was only in Orchid View for six months after leaving hospital and her health quickly went downhill.

She said: "We were there most of the time and she didn't really complain that much because she wasn't of that generation who complained but we knew she wasn't happy. She never wanted us to go."

She added: "It's been four years since she died and normally by this stage you may have moved on in the grieving process, but we haven't had a chance to do that with all this happening."

"It's one thing to lose a relative but to lose them like this and to find out what happened to them is heart-breaking."

# Report on mental health care home given to relatives

## Families ask for longer to respond to 'complex document' outlining changes

Caulden News

Wednesday, 1 July 2015

**Sam Satchell**  
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A FURNACE Green man whose uncle died following institutional abuse and negligence at a care home has said the horror of what happened has come flooding back after a new report was published.

Ian Jerome's uncle, Bertram Jerome, was among 19 residents whose deaths at Orchid View in Copthorne were investigated.

A subsequent inquest in 2013 found that negligence and institutional abuse contributed to five of them.

While Mr Jerome was not one of those whose death was directly contributed to by negligence, he suffered the same poor care before he passed away.

### Provider

The home, on Boreers Arms Road, was shut down by now-defunct provider Southern Cross in 2011.

On Friday a meeting was held at the £2 leisure centre between relatives of the deceased and agencies including West Sussex County Council. The council carried out a Serious Case Review following the inquest and 34 recommendations were made to ensure what happened at Orchid View can never again happen in West Sussex.

The meeting on Friday was to share what has been done to act on those recommendations.

Mr Jerome, 66, attended the meeting but said other relatives missed it because it was held when many were on holiday.

He said: "We went to the meet-



**PAIN:** Bertram Jerome was left with a catheter in place for two days

ing and heard about these answers they have put forward to the 34 recommendations. Unfortunately it happened at a time when a lot of the relatives were away on holiday.

"It's a very complex document, so everybody has taken it away and will look over it. It's quite a daunting task and we have told the county council we cannot possibly respond in four days, so we will come back to them in a couple of weeks instead, once we've gone through it with a fine tooth comb."

"It's difficult because every time we hear of a new development, it all comes flooding back for the loved ones of those who died."

Since the review the council has taken a number of steps, including creating a new team of social workers, nurses and business advisors to support care

homes and care providers.

They will now also share concerns about safeguarding at care services across the county by detailing them on the council's website. This will happen from September.

In addition the council has agreed to team up with Age UK West Sussex, Age UK Horsham and Guild Care to provide a Relatives Support Service in all local hospitals.

This will help patients and their families when making care decisions for a relative in hospital.

An online system has also been set up to share information between agencies about the number of places available in care homes, trends and risks that relate to key areas such as safety, and the financial stability of the care service.

### Implement

Responding to the report, Louise Goldsmith, leader of West Sussex County Council, said: "What happened at Orchid View was awful and where we, as a county council, have been able to implement recommendations we have done this as soon as possible. In some cases we had already started on some of this work before the Serious Case Review was published. One year on from the Serious Case Review findings we want to reiterate to relatives and West Sussex residents our continuous commitment to ensure quality and continuity of care in the county."

■ The Orchid View - One Year On report can be read online at [www.westsussex.gov.uk](http://www.westsussex.gov.uk)



# coroner backs public inquiry over Orchid View care

## SPECIAL REPORT

Following the deaths of 19 people at Orchid View care home, families have heard from authorities about the steps taken to make sure the 'tragic events' never happen again. Olivia Lerche looks at a report published one year on from a Serious Case Review.

Families of residents who died at Orchid View in Copthorne have heard what authorities are doing to stop 'institutional abuses' at care homes happening again.

Nineteen people died at the Southern Cross Healthcare privately run home between 2009 and 2011.

An inquest in 2013 ruled that five of the deaths were caused by sub-standard care and neglect, with witnesses reporting residents were locked in their rooms and underfed.

Among those who died were Wilfred Gardner, 85, John Holmes, 85, Enid Trod-

den, 86, Margaret Tucker, 77, and Jean Halfpenny, 77, whose medical records were found to have been falsified.

On Friday, (June 26) relatives of those who died met with members of the West Sussex Safeguarding Adults Board (SAB) about the progress made in the 12 months since the Serious Case Review into Orchid View was published.

Lesley Lincoln, daughter of Enid Trodden, and a registered nurse, said: "I do feel that we were let down really badly. It is still happening all over. People are vulnerable."

"I do have lots of issues which I don't feel were ad-

dressed today, such as medicine management."

Judith Charatan, daughter of Doris Fielding called for big care companies to be 'fully accountable' for their actions and criticised those which they believe just want to make a quick buck.

Ian Jerome, whose uncle Bertram died at Orchid View, said a public inquiry could 'highlight so many things that go wrong when 'big businesses' run care homes and called for answers.

The review published in June 2014, made more than 30 recommendations to reduce the likelihood of a repeat of incidents of substandard care, management and neglect such as that at the home.

The One Year On report

published on Friday summarises progress made over the past year to improve care.

Following the review last year, Mrs Halfpenny's daughter Linzi Collings called for a public inquiry to 'ensure every care home across the country is performing to a high standard' rather than 'running as a business with money rather than welfare as its core value'.

Penelope Schofield, coroner for West Sussex, has confirmed she will be writing to the Secretary of State for Health to request the issues are addressed by a public inquiry. She said: "Now we have the report from the care review I believe that there are broader public interest issues at stake that could not be cov-

ered by the inquest or the serious case review."

Mrs Lincoln said families were 'ecstatic' about the prospect of an inquiry.

Following the deaths, West Sussex County Council has introduced an online system to share information about the quality of care services; created a new team of social workers, nurses and business advisors; developed a system to provide information to the public when safeguarding concerns are raised, teamed up with charities to provide a relatives support service and created public awareness campaigns about choosing care and how to raise concerns.

However, Mr Jerome said a

lot of the plan relied on volunteers and goodwill.

Louise Goldsmith, leader of West Sussex County Council, said: "What happened at Orchid View was awful and where we, as a county council, have been able to implement recommendations we have done this as soon as possible.

"A huge amount of work has been going on to make sure we do everything in our

Orchid View care home.



Crusier Observer Wednesday 1 July 2015



than looking after the most vulnerable people in society. "We will do everything in our power to make sure relatives and others have the knowledge and power to raise a concern when necessary about a care home and hold to account those people who run care services," he said. "We are working closer and better with care providers and partner agencies such as the CQC."

insuring that the lessons are learned and that the recommendations from the Serious Case Review report are implemented." He said the report shows "progress has been made but added there is still more to do."

providers." I would like to personally take this opportunity to express my appreciation of the continued engagement of the relatives of the residents of Orchard View, for who these events continue to be very painful, and who are committed to

ing again. Mr Goldsmith said other recommendations were lacking 'more time' to implement to avoid 'rushing at a solution'. David Cooper, chairman of the West Sussex Safeguarding Adults Board (SAB), said: "Time will tell if the lessons learned from the report have

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Orchid View  
Care Centre

Inset from left, Enid Trodden, Jean Halpin and Wilfred Gardner



Health

## Disciplinary hearing for care manager

A former manager of Orchid View Care Home who allegedly asked a colleague to shred a patient's records is facing a disciplinary hearing.

Nirmala Read, who worked at the Copthorne home between August 2009 and June 2010, faces a string of charges relating to her alleged misconduct.

The home, which was run by Southern Cross, closed in 2011. Ms Read will answer seven misconduct charges at a Nursing and Midwifery Council hearing starting on October 20, including on April 30, 2010, when she allegedly asked a colleague to shred a patient's medical administration record (MAR) chart before the patient was admitted to hospital.

A third charge outlined by the NMC states Ms Read allegedly 'attempted to conceal that the MAR chart suggested that a Warfarin overdose had been administered to a resident'.

On April 30, it is alleged Ms Read completed a handwritten MAR chart for the resident, to replace the one she instructed her colleague to shred, with the 'intention of misleading the admitting hospital as to the amount of Warfarin administered'.

The charges also state Ms Read 'on an unknown date in 2010, but prior to 12 April 2010, instructed Colleague A to administer medication to Resident B when she was not qualified to do so'.

Crawley Observer Wednesday

14 October 2015

# Families argue care home industry is 'vulnerable'

**'Not enough' has been done to stop the institutional abuse that happened at Orchid View Care Home happening again - according to the families of the relatives.**

Nineteen people died at the Southern Cross Healthcare privately run home between 2009 and 2011.

An inquest in 2013 ruled that five of the deaths were caused by sub-standard care and neglect, with witnesses reporting residents were locked in their rooms and undertended.

A serious case review was published in June 2014, making 30 recommendations to prevent a repeat of the horrors faced by some residents.

Following a workshop in June 2015, West Sussex Safeguarding Adults Board (WSSAB) has published a report titled Orchid View - One Year On to 'guard against future failings'.

However, the families of those affected are asking for assurance the report is not 'just another document'.

A statement from them said: "The 'Orchid View - One Year On' initial response is a step in the right direction and the workshop was useful, bringing all the agencies together to have conversations with them and hear their commitments towards change."

"However, the initial re-



sponse is very much geared to identifying when things have already happened rather than prevention, therefore there needs to be more evidence of the different agencies working together at the coal face to keep people safe.

"We are not satisfied that this document does enough to ensure that vulnerable people are safe or that their needs are met."

"More people are living with complex needs in care homes who are not protected enough by law, regulators, social workers, GPs, nurses etc

and this has to change.

"As relatives we are left feeling that not enough has been done over the past 12 months and that the care industry remains vulnerable."

"The CQC and WSCC cannot for one moment take their eye off the ball, because what happened at Orchid View could happen again."

The relatives' call for a public inquiry was supported by West Sussex coroner, Penelope Schofield in June, who said she would be writing to the Secretary of State for Health.

The report states West Sussex County Council and other agencies 'deeply regret' what happened at the care home, adding significant changes have been made since its closure in 2011.

A statement released by Louise Goldsmith, leader of West Sussex County Council and Avril Wilson, executive director of care, wellbeing and education, said: "The council has learned a number of lessons and is wholly committed to working with residents of care homes, their families, partners and the care sector

itself to prevent vulnerable people being placed at risk.

The WSSAB has developed an action plan 'which includes encouraging professionals to share concerns, accessible information for members of the public, making sure quality of care is regulated and carers understand what constitutes 'good' care, sharing best practice and making sure effective systems are in place across care agencies so concerns can be identified at an early stage."

Read the report at <https://www.westsussex.gov.uk>

Crawley Observer - Wednesday  
14 October 2015.



# Shortage of care home places seeing families 'forced out' of Crawley

## SPECIAL REPORT

*A lack of care home places in Crawley is a 'major problem' according to a leading borough and county councillor who says that families are being 'forced out' of the town - Joshua Posing reports.*

**A** shortage of places in care homes across West Sussex has been described as a 'major problem' by county councillors.

Members of West Sussex County Council's Health and Adult Social Care Select Committee (HASC) were updated on current and future issues of supply and demand in the county's care market. Officers said the current bed stock was 'very full' and operating at between 95 and 100 per cent capacity, but the council was supporting

the industry by helping to develop the workforce, improving access to training, and upgrading infrastructure.

However, committee members expressed concerns at the

**"This is a major problem and needs to be looked at now"**

lack of affordable housing for staff and the need to account for a rising elderly population.

Brenda Smith, a Crawley borough and West Sussex county councillor, said families trying to find care for their loved ones were being 'forced out' of Crawley due to a lack of places in care homes. She added: "This is

a major problem and needs to be looked at now."

She pointed at the closure of Oakhurst Grange Nursing Home in 2013 as an example of where beds in Crawley had not been replaced.

Crawley borough councillor Bill Ward said in reality it was more profitable for developers to close care homes down and build houses instead.

Officers said that while Crawley had taken 'quite a hit' in losing places in the last few years, there were still some vacancies, and the county council was looking to change the current situation.

Karen Wells, WSCC's

head of contracts and performance for care, wellbeing and education, said: "We are working with potential investors and existing suppliers to look at different types of models of care to start that market growth."

While there was no 'magic wand' there were a number of things they were doing to stimulate interest in the care economy.

Officers explained that the population of over 65s in West Sussex is set to double in the next 30 years, with the Arun district currently having the highest proportion. Projections would see around 19,000 per year join the over 65 age bracket, but

only a proportion of these would need formal support from the county council.

Forecasts put the number of additional beds required at between 5,000 and 7,000 by 2029 across West Sussex. But they also explained

there were a number of areas with a high proportion of residents between 45 and 55, which could lead to a spike in the number of over 65s in the next 20 years. "These were Southwater, Billingshurst, Worthing, south east Crawley and Barnham."

James Walsh, vice chairman of HASC, said the capacity issue was extremely worrying and some owners of small care homes were

**Oldhurst Grange closed in 2013**



closing after suffering adverse inspection reports.

He described attracting the right workforce as the biggest problem, with many care homes turning to overseas staff as they were more willing to accept lower pay.

He added: "Until that's addressed it's difficult to see how the workforce can be more motivated to enter [the profession] and stay and be



Council Observer  
Wednesday  
14 October 2015



and Cravenby councillors have worried there are not enough care home places in the town to cope with current or future demand

valued and be encouraged to get higher qualifications."

Councillor Anne Jones argued that 'it all comes back to housing' as some staff could not afford to live in the area due to a lack of affordable accommodation.

But Mrs Smith argued that unless there were actually any care homes 'without the place for people to work these issues do not arise'.



Councillor Brenda Smith



James Wilesh vice chairman, HASC



Councillor Bill Ward



# Council leader spends day in the life of a care worker

**THE leader of the council has worked a shift as a care worker - in a bid to learn more about the industry.**

Louise Goldsmith, leader of West Sussex County Council, has visited Valerie Manor, an 'outstanding' care home in Henfield, to find out what life is like for residents and carers.

Starting off with a staff briefing, Louise helped residents at meal times, assisted staff with bedmaking, did the ten round and spent time talking to residents, but said she deliberately arrived without any expectation of how the day would be.

"I arrived with an open mind," she said.

"It was really interesting to see just how caring the care workers are, dealing with people's individual needs. There were also a lot of interesting characters who were really great to talk to.

"It is a very relaxed and happy place. I have been really impressed with how the staff support each other."

Following the Orchid View scandal - the Crawley care home where neglect led to the deaths of five residents - West Sussex County Council and West Sussex Adults' Safeguarding Board have vowed to work harder to make sure care services are safe, compassionate and provide high quality care.

Through West Sussex Care



Louise Goldsmith talks to a Valerie Manor resident

Month, the council is working to raise awareness about care and support available in the county.

Louise said: "It has been really nice to learn how that has been delivered here.

"We all have a better understanding of the care industry - the work involved by the care workers and their personal commitment.

"We want people to be cared for with love, respect and kindness.

"I think there is a huge emotional demand on people because you build relationships with the residents

- it is a very close bond.

"I have been really impressed with how the staff support each other.

She said the role of carers in the UK has been overlooked in the past - but the importance of the job should not be underestimated.

"Staff are looking after someone's relative which is so precious. I don't think we give enough respect and due regard to that."

Zoe Bates, owner of Valerie Manor Care Home, which recently achieved an outstanding inspection by the Care Quality Commission, de-

scribed the leader's visit as an 'really positive' experience.

She said the staff were delighted the care home received recognition from inspectors.

"It was lovely for our staff to be able to talk positively about what they are doing here. It is a very rewarding job. "I'm quite upset other care homes haven't been banging on my doors, to find out what we are doing well. If it was me I would want to know how Valerie Manor is getting 'outstanding'.

Zoe said she believes a nursing background is 'essential' when managing a care home adding she was lucky to have a waiting list of staff willing to be employed.

While a lot of homes and care agencies in West Sussex rated 'good' by the health watchdog, Valerie Manor was the first care home in West Sussex to achieve the top rating - however Cllr Goldsmith said she hopes the high standards in the county will aspire more to aim high.

She said: "It has been an absolute pleasure and privilege to observe an outstanding home and see what good care really looks like."

Crawley  
Observer  
Inverness,  
28 October 2015



# Buy-to-let care home scheme offering excessive returns denounced as too risky *bb*

← Continued from P1

national minimum wage, while a string of care homes have gone out of business in recent years.

Last night, in response to the Bureau's findings, the former care minister Norman Lamb said: "My concern is that if you base the future of care on potentially volatile schemes that could crash then there are knock-on consequences for the elderly people who receive that care."

The Bureau's investigation focused on the Yorkshire-based MBI group which is registered to run three care homes in the North of England. The company has at least seven more care developments in the pipeline. But the Bureau's investigation has raised concerns about the accuracy of MBI's marketing materials and some of its business managers' track records.

The MP Ben Bradshaw, who sits on the Commons Health Select Committee, said the Bureau's investigation raised "serious questions" for regula-

tors. "We are dealing with elderly people, often at their most vulnerable, and the record of some of those involved in this business [MBI] does not instil confidence," he said.

MBI markets itself as a "knight" riding to the rescue of Britain's growing elderly population by building and managing quality nursing and residential homes.

Through an email marketing campaign and investor seminars the company has persuaded investors to buy leases on rooms in its homes for around £85,000. Investors' leases are registered with the Land Registry and the company guarantees them up to 12 per cent annual rental income over 10 years - as well as pledging to buy back the rooms for a 25 per cent mark-up at the end of that period.

Gavin Woodhouse, the chief executive of MBI, posted a Facebook image of himself last year posing as the Wolf of Wall Street and describes himself as an "anarchist" who "hates" banks. He says because MBI's business model cuts out the

need for bank loans, costs are lower.

However, the Bureau has discovered that MBI has been taking out short-term loans from individuals or small credit companies, secured against some of its development schemes. MBI's loans include one for £224,000 at a 30 per cent per annum interest rate over three years.

MBI's lawyers told the Bureau: "Our clients do not have any bank loans. Short-

term loans are sometimes taken out and secured against the freehold title. This is standard business practice."

The company's business model has won the support of Graham Rowan, who describes himself as a "wealth coach" and who runs the "Elite Investor Club". The club hosted a "Dementia Care Mini Summit" for investors in May, at which Mr Woodhouse said: "When we go in and talk to [a council]... we're seen like

a knight on a horse because nobody else can afford to develop, because they have the big bank loans to service."

At the meeting, which was filmed by the organisers, Mr Woodhouse said his company had 750 rooms under development, ownership or renovation - and would have 1,000 by the end of 2015. He was aiming to acquire 10,000 beds in 10 years and then sell up, he added.

"I still have a demanding wife, still got to buy the diamonds and fast cars - the exit strategy will allow me to do that," he said.

MBI has recruited a team of social care experts who operate through a separate company, MBI Social Care Limited - part of the MBI group - to manage the homes. However, it is the background of some other people involved with MBI and its risky business structure that have raised concerns.

MBI's chief commercial officer is a former Oldham-based property lawyer Alan Cockburn. He was struck off after a Solicitors Disciplinary Tribunal hearing in 2013 for

what it said was "the most serious misconduct".

The tribunal found that he had acted for the buyer, seller and lender in the same transaction and caused the Yorkshire Bank to lose hundreds of thousands of pounds. Until recently Mr Cockburn was referred to on MBI's websites as "contracts director". Lawyers for Mr Cockburn told the Bureau he did not manage client contracts, however.

"Our client is a commercial director, not a contracts director," his lawyer said. "He is not employed in a legal capacity."

The Bureau has also examined the business background of Mr Woodhouse. Prior to founding MBI in 2011 he was a director of several other companies. Companies House lists Mr Woodhouse as director from late October 2012 until May 2013 of Hayfen Limited, which held a sexual entertainment licence for the Leeds strip club Wildcats throughout that time.

Mr Woodhouse's lawyer said his client had not been involved with the manage-



Gavin Woodhouse, chief executive of MBI, posted this image of himself on Facebook

The Independent, Friday 11 December 2015



The Independent: Friday -

11 December 2015

ment of the strip club and the dates of his directorship listed at Companies House were incorrect. The lawyer said Mr Woodhouse had "immediately resigned" when he found out about the business.

He added: "Mr Woodhouse was interested in purchasing another part of the business. Following enquiries he decided not to proceed."

Mr Woodhouse was also the director of a finance firm which failed during the recession in 2009.

Mr Woodhouse's lawyer said: "Many banks/finance companies were wound up during the financial crisis." The lawyer added: "[Mr Woodhouse] has co-operated fully with the Insolvency Service who do not intend to take any further action."

Philip Challinor, a director of the financial advisers Chatfield Private Client, said of the care-home room-based buy-to-let model: "I wouldn't touch it with a barge pole. You don't get those sort of returns without taking a lot of risk."

The care sector financial expert William Laing described the returns proposed by MBI as "excessively optimistic".

MBI's lawyer said MBI was "offering a boon for a struggling sector" and that the company "has put in place and adheres to the highest standards of governance". He added: "Our client uses its best endeavours to ensure that its marketing materials are correct."

#### Q&A BUY-TO-LET BEDS

##### Q | How does the scheme work?

A | Investors hand over around £85,000 for a 125-year lease on a "suite" in a care home, often which has yet to be built. The money helps fund the construction of the home. MBI Group says that investors will have full legal title registered at the Land Registry.

##### Q | So what do investors get for their money?

A | MBI claims that after two years investors will see a return on their money of 12 per cent a year, which is £10,200 a year on a £85,000 suite over 10 years.

##### Q | This all seems like a lot - is it too good to be true?

A | MBI says it works as "an alternative to expensive bank funding" and that is why it can pay such high rates of return. But the scheme is not regulated by the Financial Conduct Authority and some have warned that such rates may be unsustainable. Care homes tend to pay the majority of staff little more than the minimum wage, which is due to rise significantly over the next four years. This will put big pressures on finances. Like with any investment, those putting money in could lose it all if the care home company goes bust.

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# 'Retirement community' plan for nursing home site

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A new retirement community is planned on the site of a Southgate nursing home.

West Sussex County Council terminated its contract with Oakhurst Grange Nursing Home, in Goffs Park Road, after it was found to be failing in its quality of care in June 2013.

The Bupa care home, which cared for people with dementia, was given two warning notices to make urgent improvements by the Care Quality Commission in December 2012.

A follow up inspection published found the care home was still failing and after the county council decision Bupa announced it was closing the site.

Now a planning application has been submitted to Crawley Borough Council by Richmond Care Villages Holdings to demolish the existing buildings and replace them with a 'continuing care retirement community' with a total of 132 units.

The village care home element of the scheme includes a 42 bed care home, 43 care suites, and 12 retirement units.

There would also be 35 care apartments on the site, and 93 car parking spaces.

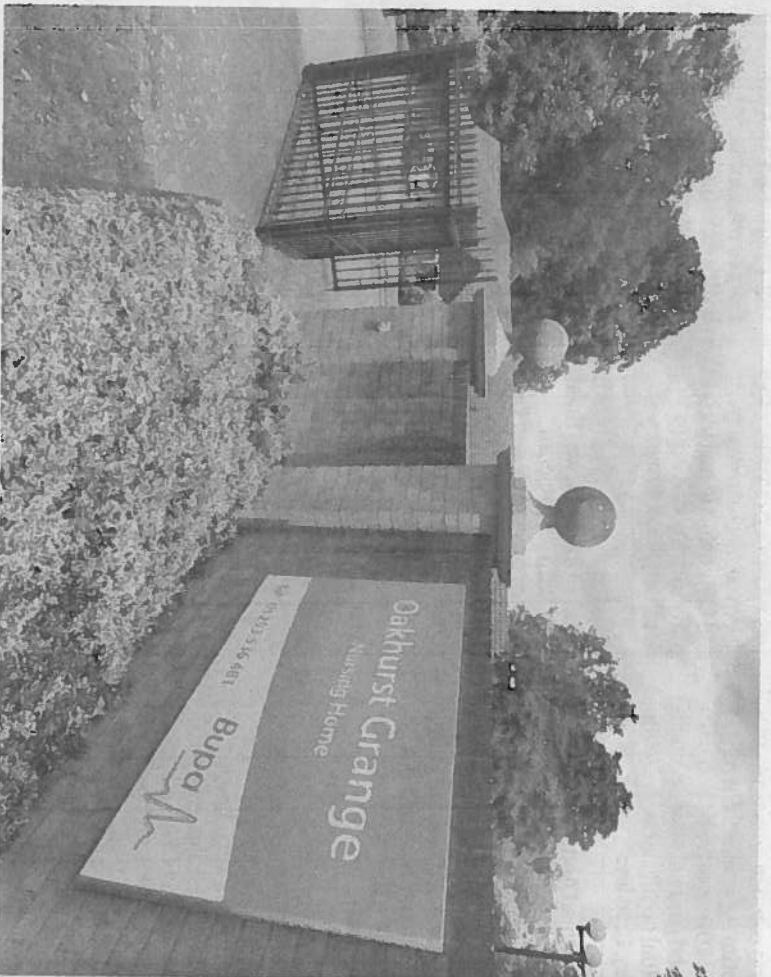
The height of the new buildings would be between two and four storeys.

Mature trees and landscaping around the perimeter of the site would be retained and augmented with planting to fill the gaps.

Managed communal garden areas are also proposed in the development alongside a sensory garden and circular walkway around the site.

According to the application: "The proposed scheme design will create a visual pleasing architecturally designed development that will uplift the local area and site without having an undue impact on the residential amenity of the neighbouring properties."

A pre-application consultation event was held at the Barrington Lodge Hotel in October, and after feedback



The Oakhurst Grange Nursing Home site

from residents some elements of the scheme have been redesigned to lessen the effect on the nearest residential properties.

To comment visit CBCs What do you think of proposals? planning portal at [www.crawley.gov.uk/planning](http://www.crawley.gov.uk/planning) Email your letters to [crawleyobserver@jpress.co.uk](mailto:crawleyobserver@jpress.co.uk) using the code CB/2016/0972/FUL.

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