



The Case for Insourcing Social Care and Other Essential Public Services

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The problem with social care



- Those who provide it are underpaid, overworked and under appreciated
 - Mostly women
 - Many part time
- Whilst faceless international corporations extract millions from it
 - Private equity driven leveraged buy-outs
 - Specialist real estate investors
- And those who receive it can never be sure what to expect
 - Moveable eligibility criteria
 - Varying with geographical location
 - Front end providers forced into low-cost (to them) strategies

The care economy



- The attraction of marketised public services to global investors
- Leveraged buy-out and the debt it creates
- Real estate extraction and the cost it creates
- Impact on front line provision
- Impact on staff

Public spend on care £4.7bn

Delivery point losses minimise tax

approaching half of capacity among medium-to-large for-profit groups... may be subject to leasing arrangements.' - LaingBuisson

'the UK ... has the highest gross yields of all countries' – Aedifca, landlord to Care UK and Maria Malaband



A national care service then?

- Yes, but what does that really mean?
- Who provides?
 - Public/private/third sector - does it matter?
 - Local/national/regional maybe
- Who commissions – whatever that means
 - Who decides on local need?
- Who is responsible?
 - Accountability
 - Link with control

Residential care example: HC-One



Biggest UK care provider

Ultimate owner is Skyfall GP Ltd registered in Cayman Islands



Financed by Safanad

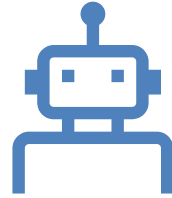
Dubai based private equity with Well Tower US health care real estate specialist debt facility



In 2022 HC-One earned £382m with gross profit of £51m

But a loss of £25m

Home Care Examples



Helping Hands

Part of Midshires

Owned by Livingbridge Private
Equity Co.

Home Instead

Franchise operation

Hi Global Holdings

Ultimately part of Honor
Technology Inc. – \$2.1bn
corporation

‘the world's largest senior care
network and technology platform’

Cera Care Group

Multiple brands, including Premier
Care and Allied Health Care

Fast growing ‘digital first’
European care company

15,000 ‘patients’ a day across UK
and Germany

Private equity funded

Extraction through real estate: Aedifca S.A*



- Social care real estate specialist owns 114 homes in the UK
- Triple net contracts
- Average rent £6748 per bed space
- EBIT profit margin £5635

“We consider that the group EBIT margin is applicable to the UK which has the highest gross yields of all countries”

*Extracting Profits Through Care Home Real Estate: The Billion-Pound Property Speculation Fuelling Britain's Care Crisis, Kotecha V., Centre for International Corporate Tax Accountability and Research, 2023

For smaller investors?



RESIDENTIAL HEALTHCARE PROVIDERS?

LUXURY PROPERTY GLOBAL
WHEN YOU NEED THE BEST

Phone: +447743576631 or +442030702333
Email: grahampiw@luxurypropertyglobal.com or lordjohnjegan@gmail.com
Web: www.luxurypropertyglobal.com

INVEST IN A BUY TO LET CARE HOME

WHAT MAKES RENT-A-CARE-ROOM DIFFERENT FROM OTHER?

We invest in our staff as well as in our properties. We secure and retain the best possible minds in the industry, individuals chosen specifically for our company to drive the quality of our services and the success of our care homes.

The healthcare industry relies on a knowledgeable, skilled, and competent workforce which in turn must be driven by a strong, ethical, and cultured management team.

A quote from our Statement of Purpose:

"...Person-centred quality care provision, delivered in a safe environment by qualified staff in a well – managed, homely setting..."

PEACE OF MIND

Our properties are not newly built empty developments. We only purchase pre-existing care homes that are both operational and occupied, therefore there is no risk to investors that the 'development' is not completed.

What You Receive?

Each Care Room will be issued lease hold ownership

Legal Title Pack

LUXURY PROPERTY GLOBAL
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Assured Returns

Year 1	Year 2 & 3	Year 4 & 5
3%	9%	10%
7%	9.5%	10%
11.5%	10%	10%
15%	10%	10%

Guaranteed Buy-back

n 3 Years	In 5 Years	In 9 Years	In 15 Years	In 20 Years
15%	15%	23%	30%	40%
£81,750	£86,250	£92,250	£97,300	£105,000
20%	15%	23%	30%	40%
£109,000	£115,000	£123,000	£130,000	£140,000
25%	15%	23%	30%	40%
£136,250	£143,750	£153,000	£162,000	£175,000
30%	15%	23%	30%	40%
£163,500	£172,500	£184,500	£195,000	£210,000

OPTION 1

Guaranteed buy back options from RB Carehomes (3, 5, 9, 15 & 20 years). RB Carehomes, as the care home owner will guarantee the buyback of care homes at a fixed price (appreciation)

OPTION 2

Selling at your own discretion, as the owner, you can sell the care home(s) as and when you wish, to any third party. Just inform RB Carehomes of the proposed sale and the company will draft the relevant transfer documents

RETURNS

JAN

APR

JUL

OCT

Children's social care: GB News 9/11/23



Cash-strapped council bla
spending £85,000 on wee
just ONE child

A Department for Education spokesman in the children's homes market is warning that "This is replicated across all working with Ofsted local development financial oversight requirements." More widely, Stephen Metcalfe, chief executive of the National Children's Bureau, says "Investing £259m in financial crises to create more placements, quality, and safe homes and have better social care reform plans with £200m needed there is a better support for families, rather than crisis response at a later stage."



Nationalisation or a national service



- National service
 - Only government can create universal service framework
 - And ensure funding is available
 - But should they also be a direct provider?
- Nationalisation
 - 1948 model
 - Lack of joined upness
 - Subsequent decentralisation attempts



Municipalisation of a national service



- Local authorities in partnership with health
 - Subsidiarity
 - Accountability
 - Responsiveness
- Integration with prevention and early support
 - Community services that help people stay at home
- Existing infrastructure
 - Many UK councils already provide at some level



Examples

- Halton Borough Council
 - Purchase and operate
- Pembrokeshire County Borough Council
 - Response to warnings about Allied Health Care
- Trafford Council
 - Purchase on the open market
- Skye Council
 - Purchase from HC-One



Why don't we do it then?

- Unaffordable?
 - But public sector capital is cheaper than private sector capital
 - Do we really think that care workers should continue to be underpaid and overworked?
 - Whilst we watch 20 % plus of funding go to profit and extraction through leveraged buy outs and other techniques
 - And there are no incentives on providers to pursue a people centred approach based on prevention and community support
- Is the problem low paid women or over rewarded Private Equity and Real Estate investors?



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