

Mr Roy Lilley
By email only:
roy.lilley@nhsmanagers.net

Dear Mr. Lilley,

Our attention has been drawn to your recent comment piece “Do it for yer Granny” made available via your Twitter page. We understand that the same piece may have been circulated in your e-newsletter to subscribers of the NHS [managers.net](http://nhsmanagers.net) site. Unfortunately the piece is not well-informed and it will needlessly cause concern to residents in our homes, their relatives and our nursing and care staff and commissioners of our services within the NHS Trusts and CCGs

It is also defamatory: the gist of your piece is that people who can do so should remove their relatives from Four Seasons homes as quickly as possible because the company will inevitably go broke and this is likely to happen sooner rather than later. This implies that the board is acting irresponsibly and without due regard to their statutory duties.

The correct facts are:

[if !supportLists]1. [endif]Residents are not at risk of losing their homes. You are regrettably mixing up two different concepts. In a hypothetical scenario, were there to be any change in the structure at the top of the company, it would not impact at all on the day to day operations of the homes. Even if owners lose control of care home businesses, the homes continue to trade. The image you present is entirely implausible and likely to generate unnecessary concern.

[if !supportLists]2. [endif]That being said we are entirely confident about our trading position and for good reason. We have as much cash as we did last year which provides sufficient medium term financing. Like other major providers our financial position is closely monitored by the CQC market oversight committee (run by senior banking professionals who have seen the figures and understand the market) which has raised no concerns to commissioning bodies.

[if !supportLists]3. [endif]Our positive current cash position has been achieved despite very significant capital expenditure over the last year, as we continue to invest in our homes. And our quality performance has consistently improved over the past four quarters, as has our occupancy, which is ahead of the sector average, and financial performance.

[if !supportLists]4. [endif]We have said consistently throughout this year and much of last, that the capital structure of the group is not appropriate for its long-term needs. The reference made by the chairman, when reporting our Q3 results, about discussions with stakeholders – i.e. bankers and investors – makes the obvious point that we wish, especially in light of our positive trading over the past year, to restructure on more appropriate terms. Your interpretation is not correct. Our parent company and its advisers are in constructive discussions with key stakeholders with a view to finding a satisfactory solution and those discussions are making good progress.

It is disappointing that you issued such a damaging piece without first contacting us to discuss the true situation. In these circumstances I am afraid that I must ask you to respond by return advising that you will be publishing a retraction and a corrective explanation and that you reassure us that this will be sent to all those who have received this unfortunate piece and in a very short timeframe. Given the distress which our residents and their families may experience, and the serious reputational and financial harm that this will inevitably cause if it stands uncorrected including the negative influence it will have on NHS decision-makers, we are, I am afraid, unable to stand by as this piece circulates. I look forward to your positive response **by 12 noon tomorrow at the latest**, including your clear indication that any version online has been removed.

Kind regards

Mike O'Reilly

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