



TURNAROUND KINGS

FOUNDERS ROGER CATCHPOLE AND RUTH FRENCH EXPLAIN HOW THEY HAVE GROWN TURNAROUND SPECIALIST STOW HEALTHCARE INTO ONE OF ENGLAND'S MOST SUCCESSFUL MID-SIZED CARE HOME OPERATORS.

From their very first experience in care, Roger and Ruth have specialised in turnarounds.

“Our family owned a building that was leased to a nursing home operator who went into administration in 2010 when I was studying for an MBA,” Roger told CHP.

“The home had very low occupancy and a significant lack of investment for a number of years. The business was being marketed by Savills. There weren’t interested buyers because of the level of investment required for the turnaround that was going to be needed to make the home a success.

“Most operators looked at it as a poison chalice that wouldn’t be worth it. We looked at it as our asset with people who needed continuity of care. I looked at the business and decided we would give it a go.”

Roger came into the care home sector having previously worked in residential and mixed-use development and marketing, while Ruth worked for 10 years as a civil servant specialising in

trade and business.

“It was a very steep learning curve but in some ways we were very surprised that some of the changes that we thought were obvious didn’t seem to be obvious to many people in the sector,” Roger told CHP.

“There was a lot of change going on at that time with the regulator becoming a new body and ratings changing. That perhaps gave us a window of opportunity to learn and make mistakes.

“What was more important was that we came with a fresh perspective to what we thought care should be. It wasn’t a case of what are the minimum standards we need to meet to operate? It was a case of saying what we would like our mother and grandmother to receive?

“We tried to learn a lot from other operators. We spent time visiting others and seeing how they learnt. We were fortunate in having a nursing home with a very long established team of nurses who were fantastic. They

hadn’t left despite the struggles that the business had had and that really helped us. They just needed to be given the resources to succeed.

“They had the fundamental care skills and then it was a case of getting the facilities right for them. It was a case of benchmarking to see what other providers did and to learn from them. It was about building up the existing skeleton, quality staff that remained within that home and them having an understanding of what we felt were the standards we felt we should be aspiring to.”

Ruth added: “There was quite a lot of learning we took from those staff. I did care shifts. I worked as a cook in the kitchen. I cleaned. Probably the only thing I did not do in the home was nursing.”

During the three years following their takeover of their first home, Roger and Ruth established their turnaround model.

So what makes an attractive turnaround prospect?

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Halstead Hall Care Home in Halstead

“Taking over a 20-bed home in a small village with no staff and no residents on the door step and zero en-suites is not something we would look at,” Roger explained.

“We are generally looking for the diamond in the rough which is a home that is at a capacity that we think makes it sustainable for the future, that has a high proportion of en-suites or we can see a way of getting to 100% en-suite within the home and we know that with a fair wind and good marketing we can fill the beds and recruit and retain staff in that location.”

Geographically, the group remains firmly focused on East Anglia.

“We see ourselves as a regional player and we want to be the best in our region,” Roger told CHP.

“We can see where the key areas are in which we can support and deliver care. It has to be the right home as well. There have been a lot of opportunities come up particularly in the last year but many of those homes aren’t the right proposition. Whether they have come through the pandemic or not it

doesn’t mean that they have a future in terms of the size and location.”

Ruth added: “Quality for us matters above everything else; we want the care we provide to be absolutely outstanding and that means we have to have provider oversight. That’s why it’s important that we can easily access all our homes and we can be there on site lending a supportive hand and just casting an eye over what’s happening.

“There is no substitute for that. I am personally really suspicious of these burgeoning care home groups that have homes dotted all over the country which they have no hope of effectively supporting. I don’t think it’s their aim to do that, it’s just about making the numbers add up.”

As they have brought on other homes, Roger and Ruth have been able to fine tune their model which has resulted in five of their six care homes being rated good or outstanding.

The other home, Cedars Place in Halstead, Essex, is yet to be inspected following its takeover.

Cedars Place was the only designated

care home setting in Essex for the bulk of the pandemic after one of its two buildings was converted into a COVID unit.

“We are really proud of what we have been able to achieve in that home,” Roger reflected.

Conversations are currently taking place with Essex County Council about using the home as a short stay unit to relieve bed blocking in local hospitals.

“With each subsequent home since our first we have become more confident and more knowledgeable about the changes that are required and what are absolute musts - we have been able to reduce the timescale for the turnaround because of that,” Roger explained.

The care home entrepreneurs said they had managed to compress their turnaround timescale to around a year to 18 months for a home “not in a terrible condition”, with a home in a “very poor state” taking at least 2 years to get the care, management and facility to their high standards.

“The most important thing for us

at the beginning is understanding the leadership and management structures in the home,” Ruth noted.

“Very often when we take over a home there hasn’t been a manager in place and the manager that there is much more of an interim figure and very often that’s at the root of lots of problems.”

Ruth said her team will often go into a newly acquired home with a selected manager, while she also stressed the importance of getting staff on board for the turnaround journey.

“It’s a really scary time for staff when they are bought by a new provider, they might not have thought that the old provider was much cop and they don’t know what you are going to be like either,” Ruth explained.

The operations director, who is also executive director of The Outstanding Society where she helps share best practice and innovation across the sector, said getting staff on board had become significantly easier as a result of the group’s excellent reputation.

“When we bought our most recent home, which was our second in Halstead, Essex, and it went on the social media pages of the local newspaper, there were nothing but positive comments saying what a great employer we were and that it was a great thing for the town,” Ruth told CHP.

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“We were also able to go into a home and say we were Care Group of the Year. That makes a massive difference. Suddenly you have staff who have thought no-one has invested in this home for years and haven’t even bothered to train us properly and now you have people who are really listening to us.”

Ruth stressed the importance in consulting staff on any changes as part of the turnaround process.

“We don’t throw every change in on day one, it does have to be a step by step process,” she said.

“We try and get staff and residents and families to feel like they really understand what’s happening and to engage in that process.”

The ops director said in a turnaround situation staff were typically split 50:50 between those who were completely dedicated to the residents and those who had stayed because they probably couldn’t get a role elsewhere.

“It takes us a few months to really analyse the staff we have and find the gems who we know will be the foot soldiers in helping to support

sustainable change in that home and also being frank about the people who are not providing the quality of care that we need,” Ruth said.

“We have to take some really difficult decisions around that. We had to be very bold in the last home that we took over. There were a number of managers and carers who were simply not up to the job. It’s very important that we have people who understand what the performance standards are and have improvement plans but if people don’t make the grade we will not keep them on for the sake of it.”

Stow Healthcare is a market leader in offering staff incentives and recognition to those who buy into its values.

The group was amongst the first care home operators to offer the real living wage earlier this year.

Other incentive innovations have included giving staff the day off to celebrate their birthday.

Providing the opportunity for professional development is another key aspect of staff motivation and retention.

“We offer the opportunity for people to develop personally and professionally in all our homes,” Roger said.

“We think it is really important that we try and promote from within and encourage people to try and improve their skills and qualifications but we can’t teach effort.”

Career cafes have been established at all the group’s homes this year offering career coaching and discussions around opportunities.

Staff are also able to pursue further qualifications.

“It’s about further and developing skills rather than just getting a qualification,” Ruth observed.

“It could be a particular interest



A resident enjoying independence at Brandon Park’s Maple Memory Centre



Residents and staff enjoying stimulating activities outdoors

that they want to explore and be able to do their job better. Staff having that time and support has given them a real boost.”

Staff are also given recognition through regional and national awards in which Stow Healthcare has had huge success in recent years.

Additionally, the group launched its Spirit of Stow Awards this year which received over 100 nominations.

Innovation is key to the Stow Healthcare way as evidenced by the Maple Memory Centre at the twice outstanding rated Brandon Park Nursing Home which was launched in June last year.

“We didn’t want it to be a standard dementia unit that you could find in any care home in the country,” Ruth explained.

“We developed a whole new concept that we felt really matched what we were looking for.”

The unit, which Ruth said had been a “runaway success”, is run on Montessori principles designed to empower residents, who are known as

‘family members’.

“We had one resident who had a long stay in hospital and had forgotten how to shave himself,” Ruth told us.

“The ‘homemakers’, which is what we call our staff in the centre, taught that person to shave again by allowing him to practice peeling potatoes and carrots with a vegetable peeler.

“They helped him to develop his manual dexterity again and to learn the pressure he would need to apply a razor to his face.”

The units are run on a non-hierarchical structure with all tasks performed by the homemakers who live alongside the family members to foster a community environment.

“It’s a concept that has had a massive impact on the quality of people’s lives and we are looking at how we can roll it out across our group,” Ruth noted.

Roger revealed the group has just received planning consent for a new memory centre in Essex which should launch in the next couple of years.

“This is going to be a really big focus for us over the next 12-24 months,”

Ruth added.

“We will be looking at how things have worked particularly well in a memory centre, and seeing what can be transferred to a regular setting. It’s quite an exciting time for us and has shown that there are some significant things we can do to increase the risk appetite across social care.”

Looking ahead, Ruth noted that recruitment would remain the key challenge for the sector.

“We have been very fortunate in that we have had very little agency usage in the last couple of years,” she told us.

Faced with the ongoing challenge of recruiting nurses in the UK, the group has begun to look at overseas markets such as India and Africa to bring in staff.

“It’s sad that we have got to head overseas for nurses,” Ruth said.

“Much more should be going into nursing bursaries in this country and encouraging nurses in training to recognise social care as a career.

“There is clearly an appetite for the sector, but unfortunately nurses are

being channelled into the NHS and not being given the choice of pursuing a career in other areas.

“When nurses look at what they can get paid in our homes as opposed to the NHS they realise they are so much better off.

“They are going to get a lot of first-hand experience. Not every nurse wants to work in A&E.

“Some of them want to get that longer term relationship and care experience they get with social care.”

Stow Healthcare is also developing its own nurses and has two staff who are about to graduate as nursing associates who want to continue studies to become fully qualified.

“It’s a massive investment for us as a company but it is something we are very focused on,” Ruth said.

With the next couple of years set to be dominated by the government’s reform agenda, Roger said the current proposals represented no panacea for the sector.

“The social care reforms are not a solution to the problem because there has been no clear decision about who should fund care in old age,” Roger argued.

“The solution that has been proposed is very confusing for people because they have been promised a cap on their fees, but without the understanding that ‘hotel’ costs form no part of that.

The MD said in reality care home fees in privately run homes would change little under the new reforms.

“We are going to have see how the harmonisation of fees plays out but the reality is we are not going to reduce costs to what a council would pay because most quality operators don’t operate on what a local authority would pay – it simply wouldn’t cover the cost of delivering the care,” Roger observed.

“Fees are going to have to reflect costs, or people will not accept that person in; they will end up paying a top up of some sort which will be blended in the hospitality costs.”

Ruth added: “Unfortunately it is going to be us and our managers who have to explain those hospitality costs



A resident and staff member use an interactive dementia table at Halstead Hall

to people and we are going to have some really disgruntled members of the public out there.”

While introducing the £86,000 care costs cap has been a headline grabbing reform, Roger noted that most residents would not reach the limit.

He said the funding allocation for the reforms had been a “missed opportunity” for government, arguing society would have happily supported double the amount after they had witnessed the heroic contribution of the sector during COVID.

“If you look at the amounts that are spent in other areas of the general economy compared to what it would cost to put things right in adult social care to deliver quality care for people who aren’t funding themselves, we are not talking large amounts of money,” Roger observed.

“It’s very affordable if it’s prioritised.”

Turning to Stow Healthcare’s immediate future, Roger said the group would continue to seek to grow through its successful turnaround formula.

“There are more opportunities now,” he said.

“We have seen the Four Seasons portfolio come on the market and there

are other large portfolios actively out there at the moment.

“We are definitely looking at growth, but it still has to be the right opportunity. Each home has been within the area we operate and more importantly where we can deliver quality care.

“We are looking at making incremental steps that mean we can continue to operate as a high quality business and guarantee the quality care of our existing homes.

“It’s that longer term view that we take. We are not backed by private equity. We don’t have venture capital investors.

“We are not looking to open 50 homes next year. It’s managed sustainable growth based on quality. We have good banking relationships. We have never had an opportunity to acquire that we weren’t able to execute. Our speed of expansion is determined by whether we have the operational resources to do it.”

The duo’s commitment to sector leading quality and innovation looks set to continue to drive Stow Healthcare’s expansion and growing profile in the coming years. **CIP**