

To: Mr Douglas Cooper  
Competition & Markets Authority  
Victoria House  
37 Southampton Road  
London  
WC1B 4AD

16<sup>th</sup> January 2017

Dear Douglas Cooper,

We are writing to you in response to your request for comment on the Statement of Scope for a CMA Market Study of Care Homes, published on the 2nd December 2016. We do so as the owners of two care home providers, Brighterkind (which operates 71 care homes across the UK with a focus on the private pay market) and Four Seasons Health Care (which operates nearly 300 care homes across the UK and has a focus on the publically funded market).

We welcome the opportunity to review sales and customer service practices, as well as regulation and market dynamics, in order to ensure that the market continues to operate efficiently and competitively in the interests of current and prospective residents. We look forward to working with the CMA throughout the study. Our first commitment is always to the care and welfare of our residents.

We agree broadly with the scope identified by the CMA in the Statement of Scope, namely to focus on ensuring that prospective residents are empowered and supported in making the right care-home choices at what is often a very difficult and stressful moment in their lives, that competition in the market is effective, and that the regulatory frameworks across different nations do not have unintended negative consequences on competition and choice.

The Statement of Scope states that the CMA is excluding funding for the care home sector from the study and 'intend[s] to focus on issues that may stop the market from working well within the current overall funding levels and arrangements.'

We understand that funding and quality of care levels are not, in and of themselves, issues that come within the CMA's scope. However, we believe it is impossible to properly study how this market operates without analysing in particular the impact of the funding level. The funding level critically affects incentives and competition across the sector as a whole in a way that has the potential to impact directly the issues the CMA is proposing to study.

For example, public funding pressures leading to local authority fees being below the fair cost of care could be acting to cause Care Homes to close down and thereby restrict choice. As the behaviour of each local commissioning body, that will comprise the majority of a Care Home revenue, is driven largely by short term cost considerations, the market will not be shaped in the long term interests of current and future residents.

While the Statement of Scope suggests the CMA will 'bear in mind' the funding system when assessing the extent and nature of competition in the care homes sector, we would like the CMA to explicitly clarify that this includes how the funding level affects the issues under review.

In addition, we request that, where appropriate, you address correspondence to Brighterkind and Four Seasons Health Care separately. They are operationally independent businesses with their own separate management functions. This will ensure we provide you with more effective and speedier responses. The relevant contact details are given below. Our plan is that each will respond separately to the Request for Information that you delivered on 15<sup>th</sup> December 2016. Please copy in Lorcan Woods (Four Seasons Health Care Group Director) to correspondence as well and, where issues relate specifically to the Four Seasons Health Care Group, he should remain your principal point of contact.

Kind regards,

Robbie Barr  
Chairman, Four Seasons Health Care Group