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FOCUS ON...



CARE HOMES BULLETIN - February 2011

WELCOME

Welcome to Lambert Roper & Horsfield's latest Focus On...bulletin looking at news and information relevant to specific business and industry sectors.

This Focus On Care Homes bulletin takes a look at some of the issues affecting care homes businesses, including the topical matter of winter flu and how it to mitigate the effects of this and other potential emergencies.

If you have any feedback on this issue of Focus On Care Homes, or would like to know more about our services or how we can help you, please contact Nick Frost on **01422 360788** or at **nickf@lrh.co.uk**



A QUESTION OF CONTINUITY

Although this year's winter flu outbreak has not – so far – reached epidemic proportions, a serious flu outbreak is good example of the kind of disruptive event that can place a real strain on businesses.

Even a thriving care home could find itself under pressure if disaster strikes. The incident need not be as dramatic as an earthquake or a terrorist attack either: a break-in, vandalism, a fire, IT failure – or staff illness – could all have a serious impact.

Preparing a strategy to deal with unplanned

events can greatly increase the chances of coming through such tough challenges.

Yet many firms fail to do so. A global survey of almost 2,000 respondents in small and medium-sized businesses, conducted in November and December last year by software specialists Symantec, found that 41 per cent said that it had never occurred to them to put together a disaster preparedness plan and 40 per cent that disaster preparedness was not a priority for them.

But even simple steps could make a big difference, such as setting up a small

team of key people with designated tasks to carry out in the event of an emergency.

Keeping a log of all staff, client, suppliers and other key contact details off site could be vital if there is no access to information kept on the premises and back up of a main computer system could also prove invaluable.

Nick Frost, of Lambert Roper & Horsfield, says: "It is not possible to plan for every contingency but a disaster recovery or business continuity plan is a vital insurance policy for when things do go wrong. If you would like more information on contingency planning, please contact us."

REPORT HIGHLIGHTS NEED FOR MARKET TO GROW

A report from the Care Quality Commission (CQC) has highlighted the need for further growth in the market.

The report, published at the end of last year, found that adult social care services – which includes care homes, home care services and nursing agencies – had improved significantly since 2008.

But the CQC report also said that but further growth in the market was required to meet future needs.

It highlighted research that suggests the number of older disabled people is expected to rise by 108 percent by 2041 and said “the challenge is for providers and commissioners to work together to further develop the market to anticipate future long-term care needs”.

CQC chief executive Cynthia Bower said the current economic climate also made it “particularly important for providers and councils to work together to develop local care markets and anticipate future long-term care needs”.

Nick Frost said: “It is encouraging that the quality of adult social care services is improving.

“It is also interesting to note that the CQC highlights the need for further growth in the market, so it makes sense for care homes and other social care businesses to make sure they are in the best possible shape, financially and strategically, to take advantage of future opportunities. For more information, please contact us.”

GET SMART ON VAT

A Yorkshire organisation representing care homes and home care providers has hit out at the impact of the 2.5 per cent rise in VAT in January to 20 per cent.

The Independent Care Group (ICG), which represents independent care providers in York and North Yorkshire, said that unlike many other businesses, care providers are VAT exempt which means there is no VAT chargeable on their services but they cannot reclaim any VAT that they pay.

ICG chairman Mike Padgham told the York Press that care homes, for example, would find themselves paying more for

essentials such as gas and electricity and called for care providers to be zero rated, which would allow them to reclaim VAT on purchases relating to sales of their services.

Nick Frost said: “VAT is a complex area and can be challenging for businesses of all kinds, whatever their tax status.

“Whether the government will be receptive to calls for a change in the VAT status of care providers remains to be seen. In the meantime, it makes sense for care providers to ensure that their VAT affairs are operating as efficiently as possible.”



IT PAYS TO BE BUSINESS MINDED

Running any kind of business is likely to be tough at times but operating in the care home sector can be particularly challenging.

As well as providing high quality care, complying with wide ranging statutory and regulatory requirements and dealing with the ongoing demands of a difficult economic climate, care homes cannot afford to be left behind when it comes to operating in an increasingly commercially minded world.

Working with experts in business planning and strategy can strengthen a business, sharpen its competitive edge and help it to move forward.

Nick Frost says: “Business strategy helps you to define your goals and the funding, management and other tools you need achieve them. Detailed planning also involves producing budgets and projections to test and improve your proposals.



“A comprehensive and up-to-date business plan can help to support your case when sourcing funding to help you move forward and for care homes, a plan of this kind is likely to be a valuable tool in dealings with commissioning bodies.

“Having in place a viable, realistic, well thought out business plan shows that you are serious about your operation and that you mean business. If you would like to find out more about our strategic business planning services, please contact us.”

LAMBERT ROPER & HORSFIELD LIMITED

The Old Woolcombers Mill, 12-14 Union Street South, Halifax, West Yorkshire, HX1 2LE
T: 01422 360788 F: 01422 380201 E: mail@lrh.co.uk W: www.lrh.co.uk

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