

Press Release

For immediate release



CARE HOME SECTOR FACES COLLAPSE, WARNS INDUSTRY LEADER



Dr Robert Kilgour calls out lack of Government Front Bench business experience and sets out a vision for a regional model for the care home sector.

Social care providers across the UK are "sleepwalking over a cliff edge" according to Dr. Robert Kilgour, Founder and Exec Chair at Renaissance Care, one of Scotland's leading businessman and social care sector legend who founded Four Seasons (which became one of the largest care home groups in the UK) in 1989.

PROVIDER PRESSURES AND POLITICAL "LIES"

Speaking on [Newcross Healthcare's,Voices of Care podcast](#), Kilgour delivered a stark assessment of the sector's precarious financial position following Budgets in England and Scotland, warning: *"Care homes will close, and vulnerable elderly will die as a direct result of these budgets."*

Kilgour pointed to recent financial pressures that have created what he described as a "triple whammy" for care providers in England centred on increased costs arising from rises in the national living wage and changes to national insurance.

He was critical of Ministers claiming that over £800m was being given in extra funding for the sector stating: *"That's an outright lie. They're not doing that."* This was funding given to local authorities he explained and *"it's not ring fenced"* for social care. *"And by the time it does get to the front line of social care, it's a vastly smaller number"*.

Kilgour said Government really needed to understand the real-life effects on business of their measures adding pointedly that: *"When you look at the current Labour Government front bench there's nobody with any business experience."*

DEATH OF THE NATIONAL CARE SERVICE DREAM- A WARNING FOR WES STREETING?

For Renaissance Care alone, which operates 19 care homes with 900 registered beds across Scotland, these "unbudgeted and unexpected" changes will cost £900,000 annually, putting severe pressure on the company's finances despite its relatively strong position in the market.

He also called out commissioning practices in Scotland highlighting how the private sector provides care at half the cost of public sector care home provision.

The consequences of the added financial pressures above, according to Kilgour, will be far-reaching: *"My worry is certainly in Scotland, second half of this year and the first half of next year, I think is going to be a lot of care homes that are going to close."*

He added that some smaller care home groups have indicated *"they're going to have to go cap in hand to their bank because they will be likely to breach banking covenants."*

Kilgour was also particularly critical of recent reform attempts, including the proposal for a Scottish National Care Service, which he initially welcomed but

which he pointed out has *"spent £30 million without one single hour of extra care being delivered."*

Kilgour outlined how the promise of a National Care Service fell apart in Scotland. *"Perhaps something Wes Streeting needs to learn from given such a service was a part of the Labour Government Manifesto?"* says [Voices of Care](#) Host, Suhail Mirza.

A NEW MODEL FOR THE CARE HOME SECTOR?

Kilgour remains a strong believer in the social care sector adding that *"... the demographics for the sector are really, really good."*

Despite creating one of the largest care home groups (Four Seasons had over 100 homes by the time Kilgour exited) Kilgour is wary of the very large care home model's sustainability given current market and fiscal conditions; these require greater investment in clinical governance and technology even as margins are lower post Covid.

At Renaissance Kilgour explains he has sought to "grow in clusters" and this specialist regional approach also allows for "bolt on acquisitions".

ADVOCATING FOR CHANGE

To address the issues for the sector and promote new thinking, Kilgour has launched the Social Care Foundation with former Deputy Prime Minister Damian Green as Chair, creating what he describes as *"a platform and something cross-party to encourage and support meaningful reform of social care across party."* Arguably only such a consensus can truly address the sector's long known and perennial challenges?

[The Voices of Care podcast](#), hosted by Suhail Mirza, continues to provide a platform for sector leaders to address critical issues facing health and social care across the UK.

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About the Voice of Care Podcast

The Voices of Care podcast, a [Newcross Healthcare](#) production hosted by Suhail Mirza, offers candid conversations with key figures in health and social care.

Created to give a platform to those shaping the future of care, the podcast explores the biggest challenges facing the sector while spotlighting inspiring stories of innovation and leadership. To listen to the full episode with Rebekah Cresswell and other leaders in the NHS, private healthcare, and social care, visit:

www.newcrosshealthcare.com/voicesofcare/

About Newcross Healthcare

[Newcross Healthcare](#) is one of the UK's leading providers of social and health care services, both within the community and through healthcare staffing. With an extensive network of over 165,00 registered healthcare professionals and nearly three decades of expert experience, Newcross delivers high-quality care solutions that meet the diverse needs of patients and communities.

For more information, visit www.newcrosshealthcare.com

About Renaissance Care:

Renaissance Care operates 19 homes across 11 different local authority areas in Scotland, with 900 registered beds and 1,500 staff.