



PRESS RELEASE

UNION COMMENT ON CARE COMPANY CLOSURE

The Northern Region's biggest trade union today reacted to the announcement that the UK's largest private care home provider is to close.

The GMB Union which has a national single trade union recognition agreement with Southern Cross was commenting in the wake of this morning's announcement to the Stock Exchange.

Chris Jukes GMB Northern Region's Regional Political Officer said:

"This is a regrettable announcement because Southern Cross at all levels of the business have some extremely hard working and honourable people who have literally given their all to keep this ship afloat".

"There is now certainty about employment and continuity of care in the Homes".

Mr Jukes said that the difficulty for staff would be if pressure was put on them to take poorer terms and conditions.

Mr Jukes said:

"Where new employers act within the law there tends to fewer issues. However there are very clear legal safeguards about transferring terms and conditions, trade union representation and so on. We obviously don't want to end up with endless legal wrangling, but our experience is that when new employers don't know what to do, they sometimes take decisions that costs them a fortune in acting unreasonably. We want to talk to those new providers sooner rather than later to avoid that scenario".

The GMB reiterated its position on care and private equity.

Mr. Jukes said:

"The Directors who set up the Southern Cross business model in 2006 should be banned from holding directorships for at least 10 years and they should not be allowed near the care industry ever again.

The Dilnot report on social care does not go far enough. Care should be universal paid for by us all out of taxation. It's about having shared values not relying on shareholder value as a society.

And there should be a Public Inquiry into how we got here and the lessons to be learned, not least by lawmakers and regulators".

-ENDS-

