

The latest news and announcements from Derbyshire UNISON

Social care

Unscrupulous employers are exploiting the UK care system and shifting profits offshore



Get tough with care home operators not paying their share of tax

Internationally owned care companies are failing to pay their fair share of taxes and depriving the UK economy of millions of pounds, according to a UNISON-backed report.

The report, from the Centre for International Corporate Tax Accountability & Research (CICTAR) and Public Services International (PSI), identifies three internationally owned UK care home operators, which it says are diverting cash to offshore tax havens, while claiming to make little or no profit in the UK.

Sunrise Senior Living, Gracewell Healthcare and Signature Senior

Living, all part-owned by Canadian company Revera and US real estate company Welltower - one of the largest owners of UK care homes, appear to be using aggressive tax avoidance schemes, the report - Darkness at Sunrise: UK Care Homes Shifting Profits Offshore - finds.

Between them Sunrise, Gracewell and Signature, which all have

Contacting Derbyshire UNISON

01629 582266

branch@unisondc.co.uk

derbyshireunison.com

headquarters in Buckinghamshire and together operate 60 care homes across the country, charged residents more than £225m in fees in 2019, says the report. Despite this multi-million pound income, the operators reported little or no profit in the UK, CICTAR says.

But analysis of reports given to shareholders of US company Welltower, which has a minority stake in the three companies, indicate that in 2019 it made a net operating income of £64m from its UK care homes. In stark contrast, the UK care operators reported combined losses of £9m for the same year, says CICTAR.

Report author Jason Ward said: "Because Welltower reports large profits to shareholders, we can see what is usually kept hidden. Complex corporate structures are designed to create artificial losses and avoid UK tax.

"The UK government needs to get tougher with care companies dodging UK tax. An inquiry must be launched to shine a light on practices that siphon huge sums of money out of the care system while paying staff poverty wages and cutting costs to the bone.

"The unrestrained pursuit of profit by international organisations who see the UK care sector as a soft touch demonstrate the urgent need for reform."

Christina McAnea, general secretary of UNISON, the UK's largest union representing care staff said: "The scale of tax avoidance across the UK care home sector is deeply concerning. Urgent reform is needed to raise standards and ensure companies are accountable.

"The entire care system has been underfunded and understaffed for too long. Unscrupulous employers have been allowed to exploit workers and put residents at risk,

while taking the profits and shifting them offshore."

The full report can be read [here](#).

CICTAR is a global corporate tax research centre that produces information and analysis to untangle the corporate tax web. The centre is a collective resource for workers and the wider public to understand how multinational tax policy and practice affects their daily lives.

Public Services International (PSI) is the global union federation of public sector workers. It is the international voice for public services and the workers and unions which deliver them. Former UNISON general secretary Dave Prentis has been the PSI president since 2010.