

# Debt deal hope for care homes

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**Alex Ralph**

A troubled care homes provider is set to secure breathing space from its largest creditor over a debt payment.

Four Seasons Health Care, one of Britain's biggest operators, which looks after about 17,000 residents, was in negotiations with H/2 Capital Partners, an American hedge fund, over the weekend and a deal concerning a £26 million interest payment due on Friday could be announced this week.

It is likely to provide a reprieve for Four Seasons as it seeks to reach a wider agreement with H/2, which has been buying up most of its debt. Signs of a breakthrough come amid growing concerns that failure to reach a deal could trigger the biggest care homes failure since Southern Cross in 2011.

Care home providers have been struggling with council funding cuts and rising operating costs. Four Seasons also has been laid low by £525 million of debt dating back to its takeover in 2012 by Terra Firma, the private equity firm, which has written off its £450 million investment.

A spokesman for Four Seasons said: "We're making progress on agreeing a standstill with our creditors, which would pave the way for discussions over a change of ownership."