

Guysfield Care Home, Letchworth, SG6 2AB

Consultancy advice in connection with the proposed re-development of Guysfield Care Home

Prepared for Caring Homes

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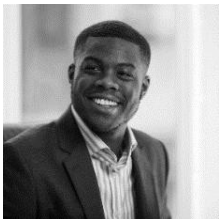
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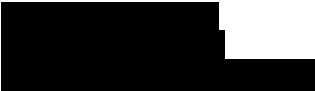
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Definitions and Abbreviations

We have used the following key definitions and abbreviations:

AHP	Average House Price
AHI	Average Household Income (per earner)
BM	Christie & Co Benchmark
C&Co	Christie & Co
CAGR	Compound Annual Growth Rate
CCG	Clinical Commissioning Group
CQC	Care Quality Commission
Effective beds	Capacity based on single occupancy rooms
EMC/Market Standard	Effective Market Capacity (Single occupancy en suite provision)
KPI	Key Performance Indicator
PB	Purpose Built
SEC1	Social Economic Class 1 (Large employers, higher professional, higher managerial and administrative occupations)

Introduction

Scope of Work

In accordance with our letter of engagement dated 11th November 2022, we have prepared consultancy advice in connection with the proposed re-development of Guysfield Care Home, Letchworth, SG6 2AB which is hereinafter referred to as the Property

The purpose of this report is to provide an opinion on the suitability and viability of the existing facility as a care home, and analyse the proposed development relative to market standards through addressing the following:

The Existing Care Home	• Introduction to the existing care home • Analysis on the specification of the accommodation provided, commentary on the suitability of the facilities and comparison with market standards • Financial performance overview
The Proposed Development	• Overview of the proposed development and comparison of the headline specification relative to the existing facility and wider market trends • Research to identify other recent new build care homes within the regional area and analysis relative to their headline specification
Conclusions	• Overall conclusions and recommendations

Key Data Sources and Methodology

Demographic Information	- We have utilised the latest 2011 census data sourced from the Office of National Statistics which has been analysed on a postcode specific basis and extrapolated using updated population growth estimates and projections to 2023, 2028 and 2033 - Affluence analysis has been assessed having regard to the employment and income profile of the working population in the relevant postcode areas using the SEC 1 classification (large employers, higher managerial and administrative occupations and higher professional occupations), average house price data from Land Registry and average household income (per paycheck) data from CACI - Our catchment area is dependent on the site location and the number of elderly residents per sq km
Planning Data	We have reviewed planning applications for new build care homes or development proposals in respect of existing homes where an application has been submitted. Our principal data source for this is Glenigan together with internet based research. We reserve the right to amend our analysis in the event that any new applications are submitted
Distance Calculation	- Catchments within our analytics system are plotted by taking the center of a postcode sector and drawing a circle around it with a radius of the adopted catchment. This catchment is then used to identify the existing supply surrounding the proposed site - In order to ensure every existing asset is included within our analysis, we calculate 'As the Crow Flies' distances (postcode to postcode) between the proposed site and the existing properties across a wider catchment area
Supply Assessment	- Data for our supply assessment analysis has been obtained from A-Z Care Homes, CQC, other published directories and Christie & Co data. In assessing the number of beds provided, we have considered three metrics as follows: Total Beds - This reflects the total number of registered beds provided which may include twin occupancy rooms and other rooms which have accessibility related constraints Effective Beds - This reflects the total number of bedrooms on a single occupancy basis EMC Beds - Single en suite market standard beds that have wet rooms - For the purpose of assessing EMC provision, we have only included bedrooms that provide ensuite wet rooms - Given the high proportion of beds in the UK care home market which were constructed before year 2000 together with the level of converted stock, it is accepted precedent that there is a need for additional provision if there is a shortfall in beds relative to the EMC metric although it must also be acknowledged that some of the older EMC stock will carry a degree of obsolescence risk
Mystery Shopper Investigations	We have undertaken mystery shopper calls to a selected number of homes within the catchment. Information collated reflects a point in time and is based on information verbally provided to us by the respective care homes

Key Data Sources and Methodology (cont'd)

Demand Assessment

- Care Home Demand is assessed by analysing the age profile segmentation of an area and comparing this against LaingBuisson Benchmarks in terms of the likelihood of an individual requiring residential care. The benchmarks adopted based on the LaingBuisson 2020-21 Elderly Care Market Report are as follows:

65 - 74 years - 0.54%

75 - 84 years - 3.30%

85 years and above - 13.40%

- It must be stressed that this methodology assumes normalised market conditions (i.e. pre Covid-19) and that a sustained materially higher death rate could impact the population projections, reducing the level of bed demand

Assessment of Need

- The assessment of need reflects the outcome of a calculation where the level of current and projected demand is considered relative to current supply and projected supply, analysed on an EMC basis as defined on the previous page. The resultant surplus or shortfall in provision determines if there is need for new provision within the catchment and, if so, the quantum required

General

- We reserve the right to amend our findings in the event of any subsequent change to the information or market conditions. Market studies reflect a situation as at a particular point in time and should be subject to regular review

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Executive Summary

Executive Summary:

- Guysfield is a residential care home which is presently registered for 51 residents. It has been formed through the conversion of a Victorian building with an extension added in the 1980's and the accommodation arranged over three floors
- The home is situated in Willian, a residential village on the southern outskirts of Letchworth Garden City. Letchworth has a high proportion of elderly residents with a notable proportion aged 85 years or above
- The existing building is materially compromised due to a specification that is obsolete and not fit for purpose relative to the needs of the client group. Specific deficiencies include a poor layout, narrow corridors, small bedrooms, the lack of any en suite wet rooms, narrow doorway widths, the lack of a stretcher lift and limited day space. Furthermore, the bedrooms on the top floor are not suitable for occupation by residents with the effective capacity of the home reduced to 42 residents as a consequence
- Due to a combination of the specification challenges, reduced capacity and associated operational issues, the business is non viable in its current format having been materially loss making for the last five years
- We concur fully with Caring Homes that due to the sheer scale/ complexity of the necessary improvement works required, the only practical solution is to contemplate replacement of the existing facility with a new build facility, such as the scheme proposed. The architects have prepared a viability scheme for a conversion scheme that only delivers 29 bedrooms, an unsustainable scale for a care home in this building.
- The proposed development of a new 70 bedroom facility features a specification that aligns with key attributes of modern new build homes. Our research of new build homes dating from 2018 within the south of England shows that the average size of a new build home is 64 beds with the developments ranging from 60 - 80 bedrooms in size. Within a 30km radius, 25 homes have been built since 2015 with the average size being 68 beds. Finally, the best in class facilities constructed since 2018 in the more localised regional area show an average home size of 75 beds. We therefore concur fully that the proposed home at 70 beds is in line with market requirements
- Bedroom sizes within the proposed scheme met the 16 sq m plus en suite wet rooms threshold.
- We therefore have no hesitation in recommending the proposed scheme which will provide the local community with a much needed fit for purpose facility with a layout and configuration which is capable of accommodating residents with a wide range of higher acuity needs and mobility impairments

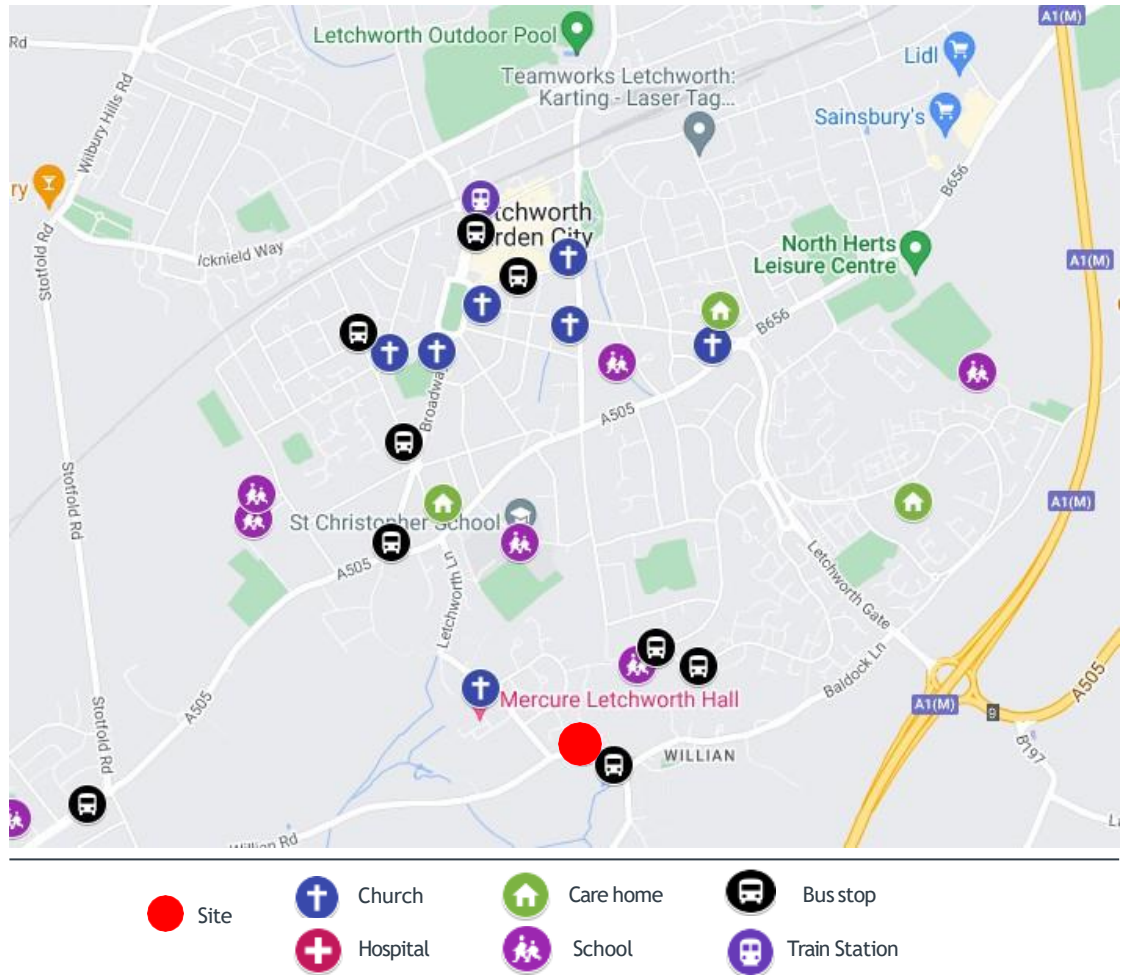
Section 1 – The Property

Location

Guysfield is situated in an accessible location in Willian, a residential village on the southern outskirts of Letchworth Garden City

Key Observations

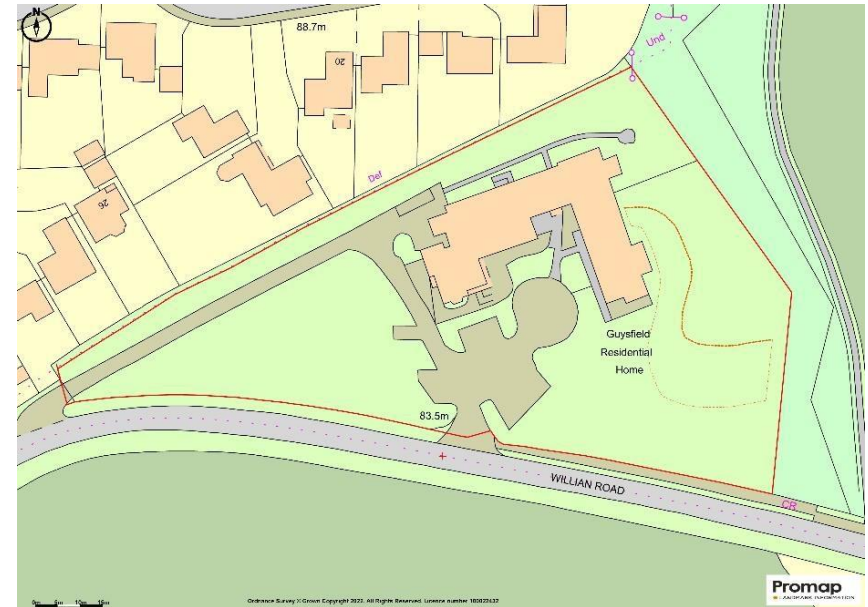
- The Property is situated within Willian which is a village forming the southern suburb of Letchworth Garden City
- Letchworth itself is an important regional centre in north Hertfordshire and was originally established as the first garden city. Transport communications are excellent with Letchworth positioned just off the A1M and benefitting from a railway station with regular connections to London
- Over the years, Letchworth has seen significant expansion and is one of a number of notable towns in the surrounding area with others including Baldock, Hitchin and Stevenage. Letchworth has a wide array of local amenities with a notable elderly population living within the town and surrounding area (please refer to the demographic analysis provided later in this report for further detail). The major Lister Hospital operated by East & North Hertfordshire NHS Trust is located a short distance to the south, accessible off the A1M
- The map shows the location of the Property relative to local amenities. Despite being positioned in a semi-rural location, the Property is readily accessible being situated just off Willian Road with a bus stop positioned a short distance away. Aside from residential properties, the Property is positioned close to a Nuffield Health & Fitness Centre and the Mercure Letchworth Hotel. Letchworth town centre itself is situated approximately 1.5 miles to the north



Source: Google maps

Introduction to the existing Guysfield Care Home

Guysfield is a converted care home with an older style extension that was added many years ago. It provides care for elderly people but is materially compromised due to a specification that is obsolete and not fit-for purpose relative to the needs of the client group



Key Observations

- Guysfield Residential Care Home is a Victorian building that was converted into a care home many years ago with an older style extension built in the 1980s. The original building is attractive in appearance with the extension being less visually appealing. The buildings are connected by a linking corridor which includes a conservatory style extension, to supplement what is otherwise constrained day space
- The accommodation is arranged over three floors, accessible via small lifts which are obsolete in terms of specification and do not provide stretcher access. The upper floor is not suitable for occupation by residents and, therefore, despite being registered for 51, the operational capacity is reduced to 42. Further commentary on the accommodation and general specification is provided overleaf
- Externally, the care home is set within a large site extending to approximately 2 acres, featuring attractive mature grounds, a car park and an area for delivery/ service vehicles. Accessibility is poor with a steep ramp hindering disabled access at the main entrance of the building

Accommodation

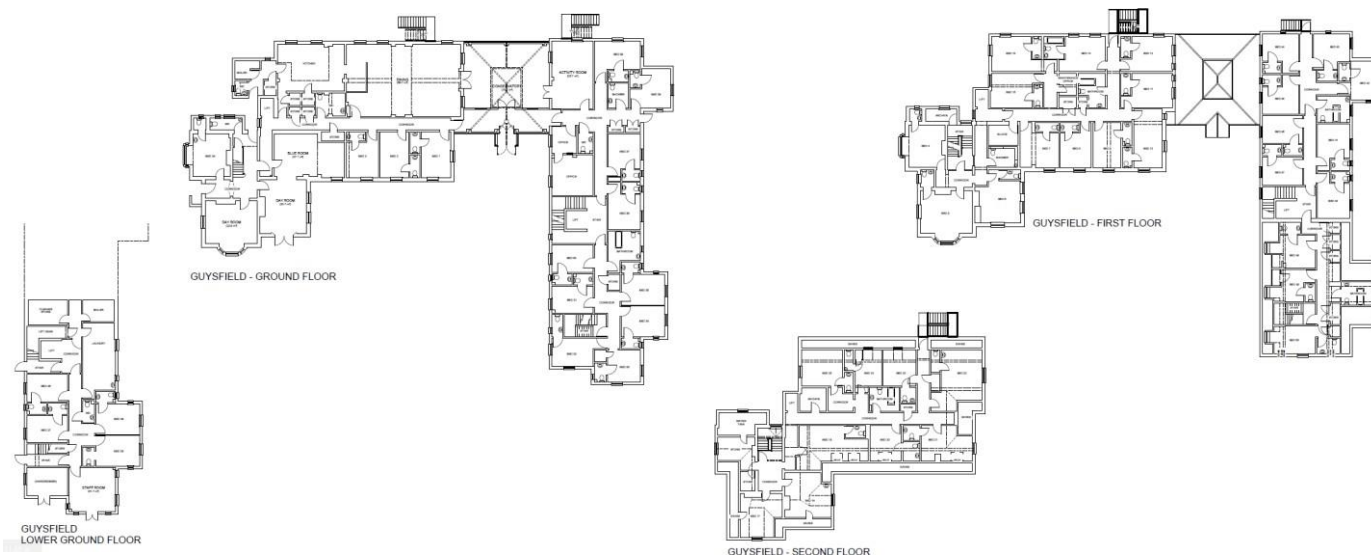
Despite being registered for 51, the effective capacity of the home is 42 beds with the specification falling materially below current market standards

Key Observations

- The current Property has 51 bedrooms although the effective capacity of the home is 42 beds with the accommodation on the top floor being unsuitable for occupation by residents
- As the plans show, the overall building layout is poor with the bedrooms spread across three floors and accessed by extremely narrow corridor with numerous tight corners and blind spots. Whilst creating practical challenges for staff, the lack of space and a continual “flow” is a material deficiency for a home such as Guysfield where a notable number of the residents have dementia related needs. The current configuration falls far short of acknowledged best practice design guidelines for care homes providing dementia care
- We highlight further key configuration weaknesses as follows (all of which are materially inferior to current market standards):
 - Poor room sizes and spatial ratios
 - No market standard bedrooms with en suite wet rooms
 - An inadequate ratio of bathrooms to bedrooms (the bathrooms are also cramped creating access issues for residents with mobility impairments)
 - Limited day space and the lack of “household” separation (also creating infection control issues)
 - Small lifts/ no stretcher lifts

Overview of Current Property Layout

Total Number of Buildings	1 with extension	Location	Semi-rural
Registered Capacity	51	Ground Floor Access	Yes
Operational Bedrooms	39	Location of Services	Ground Floor/1st Floor
Market Standard Bedrooms (en suite wet rooms)	0	Staff Facilities	Limited
Site Area (sq m)	8,249	Bedroom Sizes (sq m)	10-13
Number of Assisted Bathrooms	4	Number of lifts	2
Number of shower rooms	2	Number of parking spaces	c18
Total Day Space (sq m)	245.8	Total Internal Floorspace (sq m)	-
Total Day Space (sq m) per bed	4.8	Total Internal Floorspace per bed (sq m)	-
External Appearance	Good	Internal Decoration	Good



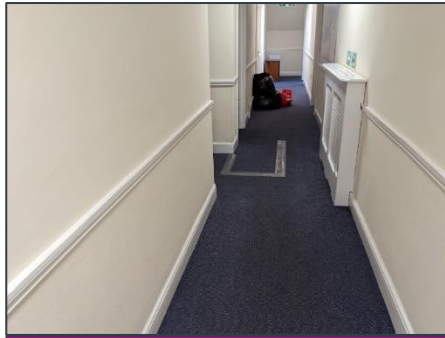
Sources: Client Information, Site Visit, Christie & Co Analysis

Current Property Condition and Specification

As illustrated by the photographs, the home is materially comprised by a number of very narrow corridors, a poor overall layout for residents with dementia, small basic en suites (including no wet rooms), small lifts that cannot accommodate stretchers and a top floor that has a number of deficiencies and is not suitable for use by residents (9 non operational beds)



Small shared bathrooms



Uneven corridor floors



Small bedrooms



Small and old lifts



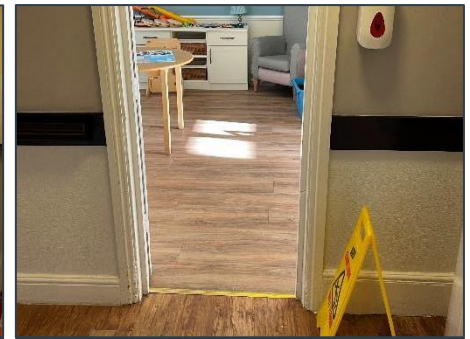
Sharp corners with narrow doorways



Very narrow corridors



Small laundry room



Very narrow doorways

Accommodation Assessment

Whilst the current home is in reasonable decorative order, the specification and layout of the accommodation is materially compromised and significantly deficient relative to current market standards. Given these factors and the sheer scale/ complexity of the necessary improvement works, we concur that the only practical solution is to contemplate replacement of the existing facility with a new build facility

Guysfield Property Assessment (Score: 0 = Poor and 5 = Excellent)		
Area of Home	Score	Comments
Layout and Design	1	Configuration is poor due to narrow corridors, other associated spatial issues & a lack of "household" units
Bedroom Sizes	1.5	Small at 10 - 13 sq m, notably below current market standards of 16 sq m or above plus en suite
Bedroom Quality	2	Suitably furnished however all bedrooms have single glazed windows, impacting heat retention
En Suite Provision	1	Very basic and small facilities without showers. Materially below latest market standards
Day Space Provision	2	Day space is all provided on the ground floor in one area (modern homes have day space arranged within "household" living units)
Day Space Condition	3	Generally suitably furnished and in reasonable decorative order
Shared Bathrooms	1	Very basic and compact - the lack of en suite wet rooms, creates enhanced infection control risk
Kitchens	3	One main kitchen that is suitable but lacks ancillary facilities specified in modern new build homes
Laundry	2	Laundry room is compact with older style equipment
External - Building	3	Generally in reasonable order but there are signs of wear and tear on most window frames
External Areas	4	Very attractive garden space and large grounds that can accommodate c18 cars
Average Score	1.8	(excluding external areas)

Key Observations

- The matrix on this page provides an overall summary on our assessment of the existing facility. As the commentary states, whilst the building is generally well presented, the overall specification and layout of the accommodation provided is extremely poor and materially below current market standards
- These points are particularly relevant when regard is had to the wider trends in the sector with residents living longer and with higher acuity needs including mobility issues and dementia. The care home in its current format has a particularly poor configuration due to the narrow corridors, doorway widths, compact bedroom sizes, the overall layout (which is materially compromised) and the lack of stretcher lifts
- A further weakness is the lack of any bedrooms with wet room en suites and defined living or "household" style units. Living units of this nature together with the provision of multiple day space areas, other facilities such as café's and hair dressing salons together with good quality staff facilities are standard features of modern care homes. Additionally, dedicated living units and bedrooms with en suite wet rooms significantly assist with infection control, a point which is particularly relevant in this current post Covid era
- Overall, the facility is obsolete and, as detailed overleaf, not financially viable as a consequence. The sheer scale, cost and complexity of the necessary improvement works required to address the numerous impairments mean that the only practical option is a full re-development scheme, such as the concept proposed.

Current Financial Overview

Due to a combination of specification challenges, reduced capacity and associated operational issues, the business is non viable in its current format with the accounts showing a history of losses and the most recent FY accounts showing a material loss of -£426,484 after head office costs

Key Observations

- The table provides a summary of financial performance over the last four full year periods together with the annualised year to date performance and FY23 forecast
- Overall, the key headline is that the Property is heavily loss making at site level before allowances for head office costs and capex
- For FY21/22 the site level EBITDAM loss amounted to -£363,160 with this increasing to -£426,484 after head office costs. Capex has not been shown but, for a home of this nature, would typically amount to c£1,300 per bed, per annum. If this were to be reflected for FY21/22, the loss would increase to -£481,084. As a consequence the home is financially non viable with Caring Homes having to fund significant operational losses. Moving forward these losses will be further exacerbated by exposure to global energy cost increases due to the electricity contract expiring in September 2022 and the gas contract expiring in October 2023
- As already detailed, despite being registered for 51, the home is only able to trade with an operational capacity of 42 as the top floor is not suitable for occupation by residents
- Due to the physical shortcomings of the building, the private pay appeal of the home is limited. Similarly, the accommodation and spatial impairments restrict the ability of the home to meet the needs of residents with high acuity / mobility issue related needs. These factors all impact current occupancy and the weekly fee potential of the home which, at the current average of c£840, is insufficient to cover the cost base and generate a commercially acceptable level of profit return. By way of comparison, a future fit new build home should in this location be capable of achieving an average weekly fee of at least £1,300 (potentially £1,300 - £1,500) which, at a market standard occupancy level of c 85%+ will be financially viable and should deliver the level of profit required to make the proposed development feasible
- In summary, the Property in its current format is not financially viable. It will be unrealistic for the operator to sustain the current level of losses moving forward

Financial Summary

	FY 18/19	FY 19/20	FY 20/21	FY 21/22	YTD 22/23*	22/23 FC**
Registered beds	51	51	51	51	51	51
Operational beds	42	42	42	42	42	42
Occupancy	36	41	28	31	33	33
Occupancy %	84.8%	97.8%	67.2%	72.8%	79.4%	79.4%
AWF	717	746	795	807	842	842
Income	1,318,415	1,571,377	1,142,734	1,266,468	845,311	1,449,104
Staff Costs	865,717	979,832	947,834	1,055,750	655,963	1,124,508
Staff Cost Margin	65.7%	62.4%	82.9%	83.4%	77.6%	77.6%
Agency Costs	3,312	54,254	69,403	55,199	125,923	215,868
Agency Cost Margin	0.4%	5.5%	7.3%	5.2%	19.2%	19.2%
Total Costs	187,002	229,573	188,337	156,603	121,423	208,154
Rent	378,495	390,458	402,166	417,275	238,768	409,316
EBITDAM	-112,799	-28,486	-395,603	-363,160	-170,843	-292,874
EBITDAM per bed	-2,212	-559	-7,757	-7,121	-3,350	-5,743
Head office costs	65,921	78,569	57,137	63,323	42,266	72,455
EBITDA	-178,720	-107,055	-452,740	-426,484	-213,109	-365,329
EBITDA per bed	-3,504	-2,099	-8,877	-8,362	-4,179	-7,163

*YTD 22/23 - This covers the period of 7 months from April to October 2022

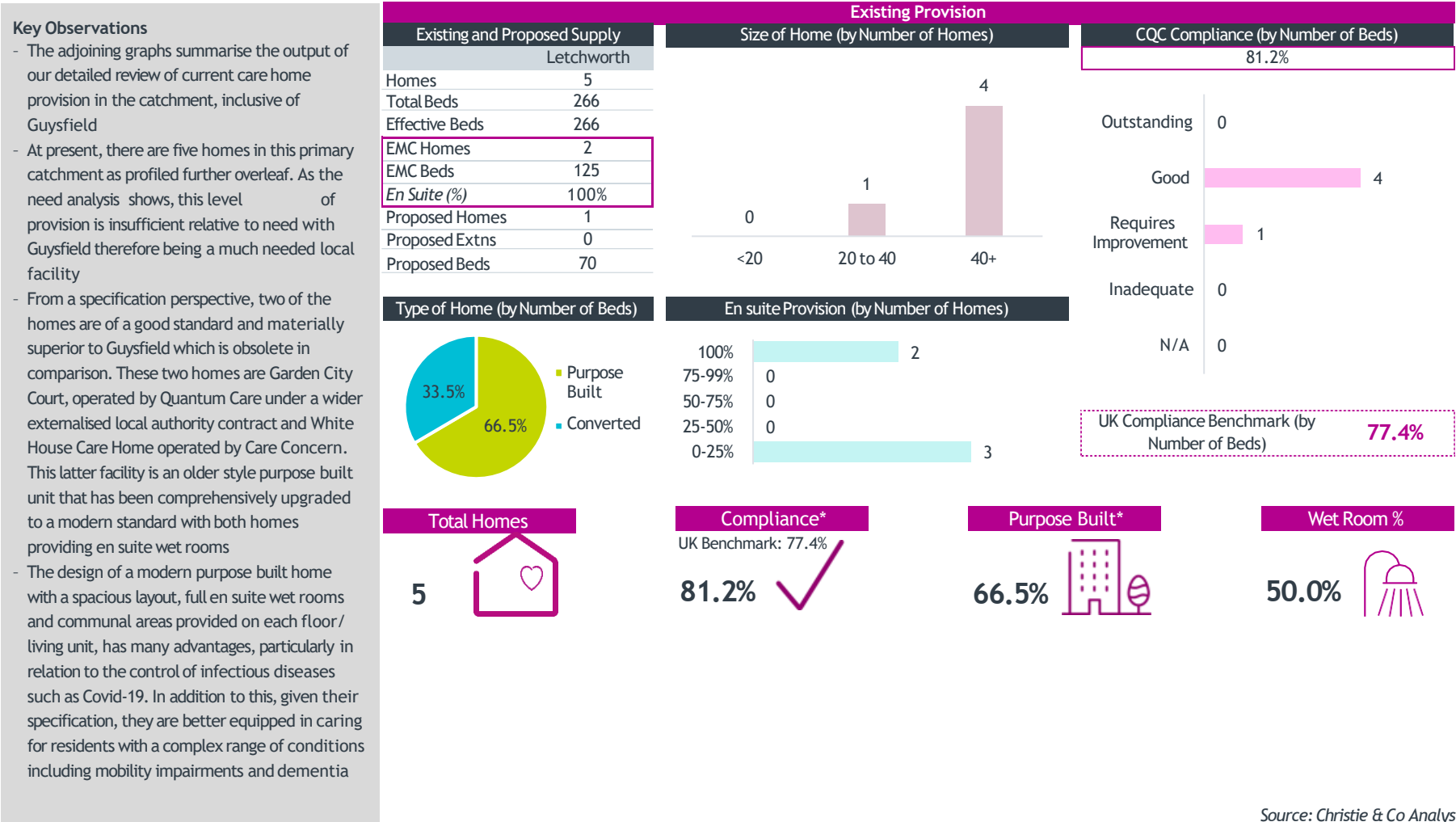
**22/23 FC - This is the forecasted position of the home based on performance from April to Oct 2022 annualised

NB: FY numbers run from April to March

Section 2 – Supply side analysis

Existing Care Home Supply - Specification Analysis

There are five homes close to Guysfield with the specification of the existing provision being mixed



Supply Side Analysis

Of the 5 homes, two are well specified with the remaining three (including Guysfield) being very weak in comparison

	1. Guysfield	2. St Catherine's Nursing Home	3. Garden City Court	4. White House Care Home	5. Trembaths
					
	Current Asset 1	St Catherine's Nursing Home 2	Garden City Court 3	White House Care Home 4	Trembaths 5
			Profiles		
Operator	Caring Homes Group	Groveswell Estates Ltd	Quantum Care Ltd	Care Concern Group Ltd	MHA
Location	Letchworth	Letchworth	Letchworth	Letchworth	Letchworth
Postcode	SG6 2AB	SG6 3PR	SG6 2PP	SG6 1QL	SG6 1UA
Distance (km)	0.00	1.05	1.55	1.63	3.42
Type of Home	Conversion with Extension	Converted	Purpose Built	Older Style Purpose Built	Older Style Purpose Built
Registration	51	39	75	50	51
Number of Bedrooms	51	39	75	50	51
En suite Bedrooms	51	3	75	50	51
Wet rooms	0	0	75	50	8
Current CQC Rating	Good	Good	Good	Requires improvement	Good
Build Date	Victorian building with 1980s extension	1926	2015	Refurbished and upgraded in 2022	1989
Quoted Fees (£)	£842	£1,170-1,500	£1,059-2,059	£1,225-1,613	£1,256-1,726

Key Observations

- We visited all five homes in Letchworth and many others within the wider area comprising the nearby towns of Hitchin, Baldock, Graveley and Stevenage
- Of the five homes, only Garden City Court is a modern new build asset and reflective of the general size and specification contemplated for the new build scheme at Guysfield. Of the remaining four, White House has recently been comprehensively refurbished to a good standard with both of these assets providing full wet rooms. Garden City Court does however form part of a wider portfolio based care contract with Hertfordshire County Council operated by Quantum Care
- The other two, Guysfield and St Catherine's, are older style buildings that have been converted for care use. Both are materially below market standards in terms of specification as the matrix shows. The final home Trembaths, operated by MHA is a first generation purpose built home which opened in 1989. Consequently, it is more comparable to the converted homes rather than newer purpose built assets
- Our need analysis as detailed later in the report shows that there is a material current and projected undersupply of market standards beds. Given the deficiencies of Guysfield, St Catherine's and Trembaths, this analysis reinforces the qualitative need for new build beds in the local area, especially as Garden City Court is tied into the Quantum contract and therefore less accessible to non local authority funded residents. Our visits in the wider area outside the primary catchment reveal a similar position as the majority of care homes in nearby towns are older style converted units ranging between 30 to 50 beds in size

Existing and Proposed Care Home Supply Summary

The latest planning data only shows the planning application for Guysfield and no incoming homes in Letchworth

Key Observations

- The adjoining table summarises the output of our supply analysis which is carried forward to our need calculation
- Within the catchment, our analysis shows that of the 5 current homes, 2 are deemed to be future fit with 100% wet room en suite provision
- Our review of live planning applications has shown the proposed scheme for Guysfield only
- Even with the proposed Guysfield development, the town of Letchworth will still have an undersupply of market standard/future proof beds as detailed later in the report

Supply Summary	
Existing Care Homes	Letchworth
Total Homes	5
Effective Beds	266
% en suites	50.0%
Calculation of EMC Provision	
Total Future Fit Homes	2
EMC ("future fit") beds	125
% en suites	100.0%
Proposed Incoming Supply	
Total New Care Homes	1
New Care Home Beds	70
New Extension Beds	0
Demolished Beds	51
Total New Beds	19
Total Beds incl. Planned	285
Total Future Fit Care Homes	3
Total Future Fit Beds incl. Planned & Demolished	144

Key: EMC - Effective Market Capacity (EMC beds have been deduced from assets with 100% En Suite wet room provision)

Source: Carehomes A-Z, Christie & Co Analysis, Glenigan

Distance (ATCFkm)	Operator / Developer	Postcode	New Beds	Demolished Beds	Planning Description	Type
0.0	Caring Homes Ltd	SG6 2AB	70	51	Detailed Plans Submitted	New Build
			70	51		

Source: Glenigan, Christie & Co Analysis

Operator Type (% of homes)

Operator Type	% of homes
National	60%
Large Regional	20%
Regional	20%
Independent	0%
N/A	0%

■ National ■ Large Regional ■ Regional ■ Independent ■ N/A

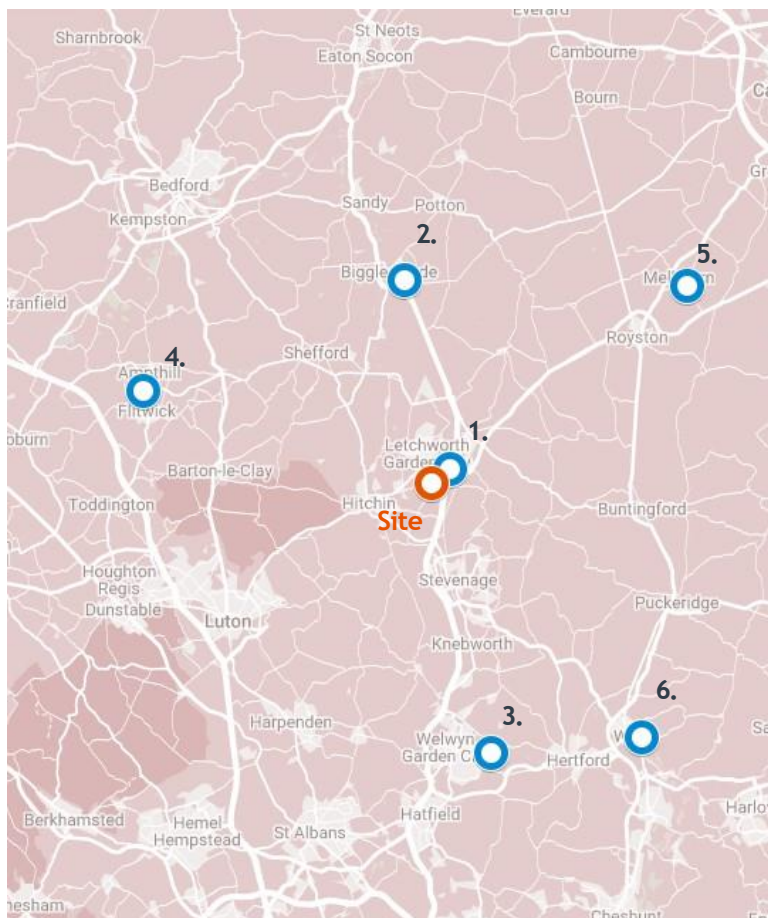
Providers in Catchment

Name	Number of Homes
Quantum Care Ltd	1
Care Concern Group Ltd	1
Caring Homes Group	1
MHA	1
Grovetwell Estates Ltd	1

The Property

Best in Class Regional Analysis

New build homes need to be of sufficient size and scale relative to development and operational economics. Over a wider 30km catchment, 25 homes have been built after 2015 with the average size of these facilities being 68 beds, consistent with the 70 bed scheme proposed



Best in Class Regional Fee Analysis						
ID	Distance ATCFkm	Name	Operator	Year	Effective Capacity	Wet Room %
1	1.6	Garden City Court	Quantum Care Ltd	2015	75	100%
2	13.4	Mantles Court	Quantum Care Ltd	2021	76	100%
3	18.4	Anson Court	Quantum Care Ltd	2017	75	100%
4	20.0	Baycroft Flitwick	One Housing Group	2019	75	100%
5	21.4	Barchester Melbourn Springs Care	Barchester Healthcare Ltd	2019	75	100%
6	22.0	Riverside Place	Caring Homes Group	2018	72	100%
Average size of homes					75	

Total Homes built since 2015 within 30km	25
Average Size of New Homes	68 beds
Proportion of Homes built since 2015 within 30km	12%
Sample Size	206

Key Observations

- Our 'best in class' analysis looks at new build homes within the wider area to understand the specification in terms of size. We have analysed new build homes over a 30km area with the table focussing on six of the facilities as specific examples
- The adjacent map shows the six homes relative to the subject Property (red dot)
- The average size of all new build homes in the 30km catchment is 68 beds with the average size of the six profiled being slightly larger at 75 beds. This is consistent with national trends with the vast majority of new build homes being c60 -80 beds in size due to a combination of development and operational economics
- Three of the six homes, Mantles Court, Anson Court and Garden City Court are operated by Quantum Care providing 76 and 75 bedrooms (for the latter two) respectively
- Of the remaining homes, Baycroft Flitwick and Barchester Melbourn Springs Care are also 75 beds with Riverside Place (operated by Caring Homes) being slightly smaller at 72 beds
- The proposed scheme for the re-development of Guysfield (as detailed further overleaf) reflects a 70 bedroom development. This is entirely consistent with the aforementioned examples and national trends (indeed the proposed size of 70 beds is towards the lower end of the range relative to the catchment comparators)

Source: Christie & Co Analysis

Section 3 - The Proposed Development vs the Market

The Proposed Scheme – Summary & Comparison

The proposed scheme addresses the deficiencies of the current facility by providing a modern 70 bedroom care home of a specification which is in line with current market standards

Key Observations

- The matrix illustrates how the proposed scheme compares with the current facility whilst also detailing some of the key additional facilities that will be provided
- Overall, the specification of the proposed home in terms of overall size, bedroom capacity, layout features and specification is in our experience reflective of current market standards
- The scheme will address all of the deficiencies associated with the current facility and provide the local community with a much needed future proof care home, situated on a site which is an attractive and relaxing place to live
- We provide on the pages overleaf a visual illustration of some of these key features whilst providing comparison relative to new build market benchmarks

The Property - Specification Comparison		
Element	Current Scheme	Proposed Scheme
Registered Capacity	51	70
Operational Capacity	42	70
Bedrooms with en suite wet room	0	70
Total Site Size (acres)	2	2
Total Gross Internal Floorspace (sq m)	-	3,709
Total Gross Internal Floorspace per bed (sq m)	-	53
Total Day Space (sq m)	246	362
Total Day Space per bed (sq m)	4.8	5.2
Bedroom Sizes (sq m)	10-13	16.5-19
En Suite Sizes (sq m)	2-3	4-5
Number of Assisted Bathrooms/Shower Rooms	4	4
Cinema	×	✓
Configured into different living units?	×	✓
Dayspace per living unit?	×	✓
Stretcher lifts?	×	✓
Appropriate staff facilities?	×	✓

Sources: Client Information, Christie & Co Analysis

Current specification vs Proposed Specification

The current specification of Guysfield is materially below current new build standards

Key Observations

- The proposed property will provide bedrooms with 100% en suite wet rooms ranging from 16.5m² to 19m². This compares with the current home which does not have any wet rooms and bedrooms of a materially smaller size ranging from 10 to 13m²
- Wet rooms are standard when it comes to the latest new build care homes, as aforementioned the availability of full wet room provision during the pandemic has been beneficial with reference to infection control. Similarly, the arrangement of accommodation within spacious living units (as proposed) also assists with controlling the spread of an infectious illness
- The assisted bathrooms within the current home are cramped and lack modern specialist baths. The new home will provide good quality assisted bathrooms which when combined with the spacious wet room ensembles, will enable the home to safely look after residents with notable mobility issues
- Finally, the layout and corridor widths of the proposed scheme will address a key weakness of the existing home, providing a suitable environment for residents with mobility issues whilst being dementia friendly

Current Guysfield Specification

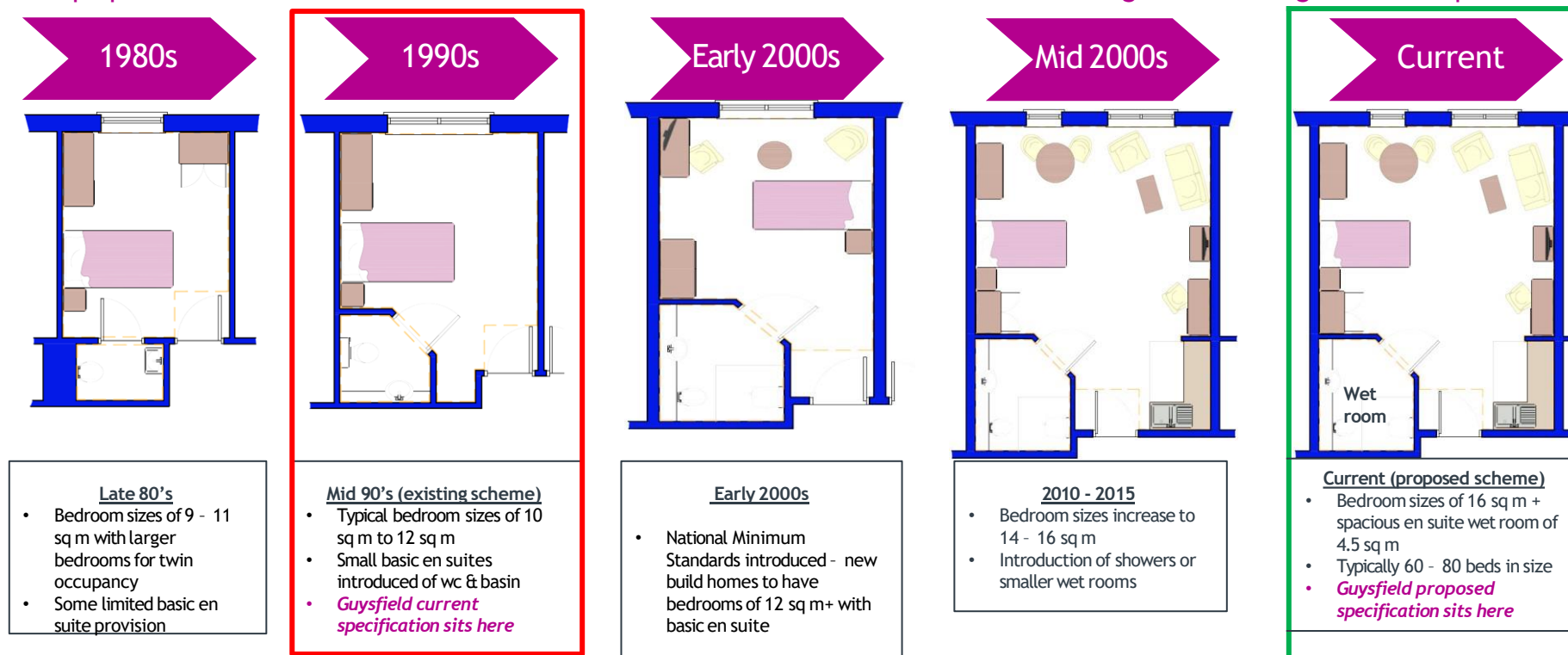


New Build Homes Specification



Bedroom Specification & Market Benchmarks

The proposed bedroom size is in line with current market benchmarks albeit at the lower end of the range with an average size of 16 sq m



Key Observations

- Care home and bedroom design has seen material evolution over the last 30 years or so with the graphic above illustrating how bedroom design has evolved
- The present Guysfield facility provides bedrooms of a specification which are typical with the benchmark for a 1990's facility
- One key feature of care home design has been the steady increase in the size of bedrooms and the accompanying wet room en suite. With people living longer and with more acute conditions, operators are looking to "future proof" new builds by anticipating that many more people living in care homes in the future will have significant mobility impairments, with sufficient space needed to facilitate mobility assistance aids and safe handling
- The proposed home will provide bedrooms that achieve the 16sq m plus size and include spacious en suite wet rooms.

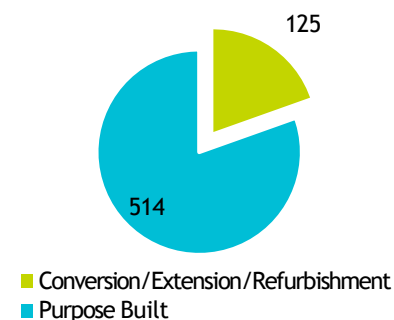
Market Standard Specification Trends

Newly constructed purpose built homes and proposed developments range from 60 - 80 beds in size. As illustrated already with the best in class regional analysis, the size of the proposed scheme at 70 beds falls in the mid-point of this range with the nearest modern home, Garden City Court, being slightly larger at 75 beds

New Build Summary from 2018 in the South East, South West and London			
Region	Number of New Builds	Average Size of Home (beds)	Average Wet Room En Suite%
South East	65	65	100%
South West	32	63	100%
London	18	64	100%
Total	115	64	100%

Volume of New Builds from 2018 in the South East, South West and London					
Region	2018	2019	2020	2021	2022
South East	20	16	9	13	7
South West	5	6	9	7	5
London	3	1	3	6	5
Total	28	23	21	26	17

New Developments, by build type



Size range of new developments:

60-80 beds

Key Observations

- Building on the themes of the previous pages, we have undertaken research to analyse the key specification characteristics of new build homes in the south east, south west and London from 2018
- Our analysis shows that 115 new build homes have been developed in the south of England, with over half being built in the south east of England
- The average home size for new builds undertaken since 2018 is 64 beds with over half of the current developments falling within the range of 60 - 80 beds. Homes of this size enable the creation of living units and also for the home to effectively cater for different types of care including personal care, dementia and nursing with efficient staffing ratios
- The proposed development at 70 beds falls within the mid-point of this range and is in our opinion appropriate for the site. Whilst there would be scope to marginally increase or decrease the size without having a material effect on overall economics, a notably smaller home is unlikely to be economically viable as the economies of scale associated with a development of the size proposed will be lost impacting both build costs and the overall end gross development value

Section 4- Conclusions

Conclusions

The planning application submission shows that there is a compelling need for Guysfield to be re-developed given the material shortcomings of the existing facility which is non viable from an operational and financial perspective. Within the catchment there is a material undersupply of fit for purpose beds with the proposed development being of a size and specification which is in line with market requirements

Overall Conclusions

- Despite being situated in a strong location, the current facility is materially deficient with numerous shortcomings. It falls a long way short of being fit for purpose with the upper floor not suitable for occupation by residents. Other key issues include spatial constraints, an inefficient layout, the lack of en suite wet rooms and accessibility related issues
- In terms of commercial viability, the management accounts for Guysfield show that the business is non viable in its current format with the last full year accounts showing an EBITDA loss of over £426k before capex. This is due to a combination of issues caused by the specification challenges, the reduced capacity and other operational factors that can only be resolved via a brand new scheme being developed
- Analysis shows that there is a lack of suitable future fit provision within the catchment with the need analysis showing a material current shortfall in market standard beds, even after allowing for the increased capacity that would be provided by the development proposed. The need for the proposed development is compelling and we understand that the issue of need has been generally accepted by the council
- We have undertaken research to compare the specification of the proposed development with other recent new build facilities. The key features are entirely comparable, particularly in relation to the size of the scheme at 70 beds and an average bedroom size of 16 sq m. The other features provided by the proposed home will comprehensively address the deficiencies of the existing home whilst creating a product which embraces the latest building standards
- We are therefore of the opinion that a compelling case can be made to support the proposed scheme in the format presently proposed. Equally, we conclude that given the sheer scale and complexity of the work required, it would not be commercially viable or practical to reconfigure the existing facility
- Given the above, we recommend that the proposed re-development of Guysfield is supported based on the design proposed. It will provide the local community with a much needed “fit for purpose” facility in a catchment where there is a significant and increasing elderly population. In the event that the development does not progress, there will be little or no commercial justification for Caring Homes to continue to provide financial support to the current facility given the quantum of trading losses currently being incurred resulting in the inevitable closure of the home.

Appendix 1 – Existing Supply within the catchment

Existing Supply within the Catchment

Distance (ATCFkm)	Home Name	Postcode	Type of Home	Operator	Build Type	Build Date	Registered beds	EMC/Market Standard
0.00	Guysfield Residential Home	SG6 2AB	Residential	Caring Homes Group	Purpose Built	1988	51	0
1.05	St Catherine's Nursing Home	SG6 3PR	Nursing	Grovewell Estates Ltd	Converted	1926	39	0
1.55	Garden City Court	SG6 2PP	Residential	Quantum Care Ltd	Purpose Built	2015	75	75
1.63	White House Care Home	SG6 1QL	Nursing	Care Concern Group Ltd	Converted	-	50	50
3.42	Trembaths	SG6 1UA	Residential	MHA	Purpose Built	1989	51	8
							266	133

Source: Carehome.co.uk, Glenigan, Christie & Co Analysis

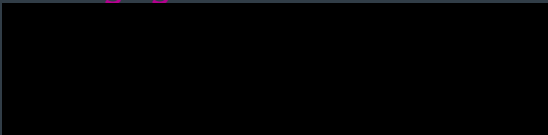
Homes in the wider 5km catchment								
Distance (ATCFkm)	Home Name	Postcode	Type of Home	Operator	Build Type	Build Date	Registered beds	EMC/Market Standard beds
2.96	Benslow Nursing Home	SG4 9QY	Nursing	Benslow Management Company Ltd	Converted	1987	35	30
3.17	Burleigh House Residential Home	SG7 6AA	Residential	Manage Care Homes Ltd	Converted	1985	44	44
3.19	Halcyon Days	SG4 7LU	Residential	Gold Care Homes	Converted	-	57	23
3.22	Wymondley Nursing and Residential	SG4 7HT	Nursing	Wymondley Nursing and Residential Care	Converted	1990	59	0
3.39	Highbury Rise	SG4 9RW	Residential	Benslow Management Company Ltd	Converted	1985	23	0
3.55	Osbourne Court Care Home	SG7 6EN	Nursing	Four Seasons Health Care	Purpose Built	1997	69	69
3.74	Pinelodge Care Home	SG1 4YS	Nursing	Greenswan Consultants Ltd	Purpose Built	2011	140	140
3.75	Providence Court	SG7 6TT	Residential	Quantum Care Ltd	Purpose Built	1995	61	0
4.06	Elmside	SG5 1HB	Residential	MHA	Purpose Built	2007	69	69
4.24	Milford Lodge	SG4 9AL	Residential	B&M Care Ltd	Purpose Built	2014	60	60
4.30	Westbourne Care Home	SG5 2TP	Residential	Bainscare Ltd	Converted	1986	27	21
4.84	Baycroft Fairfield	SG5 4SW	Nursing	One Housing Group	Purpose Built	2019	75	75
							719	531

Source: Carehome.co.uk, Glenigan, Christie & Co Analysis

Contact

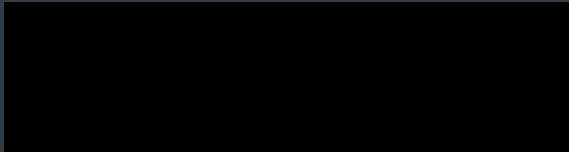
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