

FORTHCOMING NEWS

Watch this space in the next issue for details of our plans for our revised **Extra Care Report** launching in the new year.

RECENT EVENTS

We sponsored the **3rd Sector Care Awards** in London, which were hosted by Esther Rantzen CBE, journalist, presenter and campaigner. Congratulations to the winner of the Contribution to Sector Development Award, **National Activity Providers Association (NAPA)** and the finalists Shared Lives Plus and Richmond Fellowship.

Season's Greetings from Amanda and Ben

When we decided to take the plunge and set up the business in 2008 – just in time for the most severe recession in a century – we had only three thoughts in our mind. The first was a total belief in each other. Second was a fanatical commitment to wanting to deliver the best service we possibly could to our clients, and the third, and possibly the most overwhelming, was an absolute terror that it would all go horribly wrong!

So you can probably imagine our enormous sense of disbelief in November when, just over seven years later and ahead of some of the biggest names in the sector, we were announced as LaingBuisson's Property Consultancy of the Year. It was most definitely one of those "pinch yourself" occasions! Of course, there's really no time to sit back and enjoy the moment because as ever there is so much more to do but it felt like a wonderful conclusion to what has been a remarkable year for us – one that saw us complete our biggest ever deal and continue to expand our team, offices and client list.

So, as we rush headlong to the welcome break that the Christmas and New Year holiday always offers, we would like to say a big thank you to all our clients – old and new – who continue to support us, to all our colleagues who work so hard on our behalf, and to all our friends in the care sector more widely.

We wish you all a very happy and restful festive season and a prosperous and healthy 2016.

Amanda and Ben



Carterwood win Property Consultants of the Year

Carterwood have won the prestigious title of Property Consultant of the Year at the LaingBuisson Awards. Ben Hartley and Matthew Drysdale received the award from presenter and former politician Michael Portillo.

The volume of nominations this year was phenomenal according to LaingBuisson. Judges were, when choosing the winners, to look at a number of key areas: the core values and aims of the organisations; project outcomes; the longevity of their projects; the opportunities given to both staff and clients; and the importance of the provider within the context of the independent sector framework.

Commenting on this achievement, Amanda Nurse, director, said: "We're thrilled to win Property Consultants of the Year. This is a new category and to be up against some long established companies and to win is absolutely fabulous. However this is very much a team effort, and on top of an excellent year where we have achieved our largest agency deal to date and had a tremendous increase in our consultancy reports, 2015 is shaping up to be our best ever!"





In September we concluded our largest deal to date

We were instrumental in the acquisition of five care homes in East Anglia on behalf of Anchor, for an undisclosed sum, which resulted in the largest deal in Carterwood's 7-year history.

Carterwood were instructed by Anchor to undertake bespoke targeted research in order to highlight potential acquisition opportunities. On completion of the research, Cavendish Healthcare (UK) Ltd, operator of five residential care homes in Essex and Suffolk, was the standout opportunity based on Anchor's specific criteria.

The completion of the sale brought the total number of homes operated by Anchor, who are England's largest not-for-profit provider of housing and care to older people, to 119.

Anchor chief executive Jane Ashcroft said: "These homes represent an excellent opportunity for us to provide happy living for more older people. Our business plan sets out a clear growth strategy, based on a combination of new build and the acquisition of existing operational businesses. Our focus is on providing high quality residential care and housing, and we're very pleased to be welcoming residents and our new colleagues to Anchor."

Kathryn de la Garza, who created Cavendish Healthcare (UK) Ltd, said: "Anchor's values fit closely with our own so we are delighted they will be taking on these homes. The organisation's expertise in residential and dementia care and the quality training it provides for colleagues were among the reasons for the decision to choose Anchor."

Tom Harrison, associate at Carterwood, commented, "This represents Carterwood's largest deal to date and took just over six months from agreeing the deal to completion. I consider that these homes will make an excellent addition to Anchor's portfolio and both parties have been a pleasure to work with on the deal."

Attendance and support of conferences

We were delighted to attend and sponsor two very worthwhile conferences in the autumn.

In September we sponsored the **Annual RHG Conference**, where Ben Hartley, director, took part in a panel discussion on the subject of "HAPPI reviewed; housing design in practice".

On 12 November we attended the **Care England Annual Conference**, which aims to provide an opportunity for care providers to hear the views of leading sector figures from government, regulation and commissioning on what is new and what this means for the social care sector.



Amanda Nurse and Matthew Drysdale delivered a seminar in the afternoon entitled "Property Scrabble" and were also on hand on our exhibition stand in the hall to chat to attendees about Carterwood and how we work.

The National Living Wage and its implications – a solution from Carterwood

The unexpected introduction of the National Living Wage (NLW) has far reaching implications across the social care sector. Carterwood have helped advise the National Care Forum in their formal response to the Treasury Department, and have also acted on behalf of a number of investors, funders and operators when trying to determine the impact of the NLW since the government's announcement in September.

Early planning will enable key decision makers to know the facts about the potential impact of the NLW and then be ready to take the necessary actions when and if required. This is not a time to simply ignore the issue and hope it goes away – even if it is highly likely that its form may change along the way – the NLW is likely to be here to stay.

The facts:

- In 2016 the current National Minimum Wage of £6.70 will rise to £7.20 and by 2020 the NLW will be (at least) £9.00 (for over 25s).
- Assuming equal annual increases, this amounts to annual compound growth of 4.56%, or 25% over the 5-year period.
- This needs to be set against a static inflationary climate – the 12-month Consumer Price Index (CPI) rate is 0.0% (source: ONS 13 October 2015).

The issues:

The key issue is the scale of the increase and its potential impact upon operating costs, and consequently upon the margins of trading businesses.

In addition, there are other issues that need to be considered when undertaking financial forward planning:

- The gradient of the increase – will it rise equally or be stepped up over the next 5 years, and what effect does this have on margins?
- Will any assistance be provided on the revenue side of the equation from local or central government to help compensate for the increase in cost base? If so how much and when? This is particularly important given the current commitment to austerity and recent track record of limited or zero increases to local authority fee rates across the sector.
- How is the market going to maintain differentials of pay rises between those affected by the changes and paid less than the NLW and those currently paid more – will these differentials be maintained at current levels or will there be a "concertina" effect – effectively bunching rates of pay?
- Proportions of eligible staff – how many over 25s are employed and how will this impact upon future costs?
- What are the prospects of securing higher proportions of privately funded residents and/or top-ups and enhancements to help drive revenue and the inter-relationship of NLW with the implementation of the Care Act?

Against the backdrop of this uncertainty it is essential that organisations start to consider the NLW's potential impact upon their businesses.

The solution: (or part of it!)

Part of the solution to the challenges faced is to start planning and understanding the NLW's potential impact and how this translates to the bottom line.

In response to this, Carterwood have developed a "NLW calculator", which, utilising a number of different assumptions, analyses and assesses the potential impacts of the NLW to your care business over the next 5 years, during the course of the NLW implementation period.

The outputs comprise a number of different scenarios (best / worst / realistic), which can be tweaked according to key assumptions to determine the impacts to costs and margins for each individual business.

If you would like to speak to a member of the team to discuss how the NLW could affect and impact upon your business, please telephone us on **08458 690777** or email us at **info@carterwood.co.uk**

We splashed out on more data from our Wetroom Research

Our published research on en-suite wetroom provision in the UK demonstrated that the average provision in the UK is 13.8%. The study also looked at different geographic regions in relation to number of registered beds, average house prices and fee rates. Some results of this further analysis can be seen opposite.

If you would like to find out more about our detailed wetroom research, which covers the whole of the UK and can be included in all our consultancy reports, please telephone us on 08458 690777 or email us at info@carterwood.co.uk.

East of England has the same wetroom provision as West Midlands at 17% but average house prices are **£237,135** and **£174,035** respectively



100% wetroom provision in the City of London with an average house price of **£624,000**

South West England has a **higher average fee rate** than the West Midlands but the West Midlands has a **higher wetroom provision** than the South West

NE England has a **lower average house price** than NW England but a **higher wetroom provision** and a **lower weekly fee rate**



The Borough of Westminster has an average house price of **£1.1m** but no wetroom provision.



24% wetroom provision in Kensington and Chelsea despite an average house price of **£1.5m**



Expansion of team with five new employees

In May we started a major recruitment programme to fill five posts and we were delighted to welcome the new members of staff to complement the growing team.

Hannah Cheese has joined as team PA following Sadie Haven's recent promotion to sales administrator. She will provide a PA role for the two directors and the rest of the team, and will play a vital role within the business, managing the day to day office administration functions. Hannah previously worked as a PA in the Family Law Department at a solicitor's practice in Bristol.

Luke Sefton and **Victoria Millard** joined the consultancy team as analysts with **Timothy Gaudet** also joining the team as research assistant. All three will provide much needed support in the preparation of reports. Luke is a recent graduate from the University of the West of England, Bristol and has an accounting/finance degree. Victoria is a graduate from Swansea University and has recently worked in a customer service-based role. Timothy holds a biomedical science degree and previously worked as a laboratory technician for a chemical manufacturing company.

Finally, **Maria Fennell** has joined as a secretary and will provide clerical and administrative support, primarily within the consultancy team but also assisting the agency team where required. Maria recently worked with a planning group.

Amanda Nurse, director commented;

"Ben Hartley and I are absolutely delighted that Hannah, Luke, Victoria, Timothy and Maria have joined us and will provide much needed support to the rest of the team. During the last six months we have seen a marked increase in the demand from both our existing and new clients alike for our comprehensive and headline reports; and these appointments will enable us to provide an even more efficient service.

"This will also allow us to expand our product portfolio to provide additional services to our client base and will see Carterwood as providing one of the largest teams in the healthcare sector."



Disposal of three care homes for LACE Housing

Carterwood has disposed of three, purpose built elderly care homes in Lincolnshire on behalf of LACE Housing. The homes have a total effective capacity of 134 beds, all of which benefit from en-suite wetroom facilities.

LACE Housing is a leading social housing provider in Lincolnshire. A decision to divest the three care homes will allow the association to concentrate on providing additional supported housing; and extra care accommodation for the elderly population of Lincolnshire.

All three homes have been sold to award winning provider Country Court Care, who operate a total of 19 elderly care homes across the country. Carterwood were able to work with LACE Housing and Country Court Care, as well as a number of third parties to successfully manage a complex transaction through to completion.

Nick Chambers, chief executive of LACE Housing, commented: "Thanks to the excellent service provided by Carterwood, we are delighted to have successfully secured the future of our care homes to Country Court Care, a provider committed to ensuring that our residents continue to receive the highest standard of care."

Tom Hartley, senior agent at Carterwood, concluded: "This is Carterwood's second portfolio completion in as many months and it was a pleasure to act for such a proactive and well organised seller and secure the sale of the group to a highly accredited provider. We have completed numerous transactions on behalf of housing associations and were able to use our experience to bring a successful conclusion for all parties."

[LINK to case study >](#)

FOR SALE

Project Harrier

Converted and extended nursing home in Northern Ireland with over 40 registered bedspaces, generating an adjusted net profit of approximately £280,000 to the year end 31 October 2015.

[Download details here >](#)

Project Peregrine

Purpose built nursing home located in Northern Ireland, currently generating an EBITDA of approximately £1,050,000 with an occupancy of 100 per cent.

Project Columbia

Mostly purpose built, converted residential care home in Devon, with 100 per cent single en-suite bedrooms. Scope for revenue growth and operating cost savings.

Project Robin

Residential and dementia care home in Shropshire with a high quality, purpose built extension. Historic EBITDA of approximately £300,000.

UNDER OFFER

- Turnkey care home development in Hertfordshire
- Two elderly care homes in Kent
- Care home development site in Oxfordshire for 70 bedspaces.

For further information please download sales details from our [website](#) or telephone **08458 690777** and speak to Tom Hartley or Matthew Drysdale.

For more information about Carterwood or to find out how we can help you please telephone 08458 690777

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