Knight Frank

Prepared on behalf of:
Savista Developments Limited

Care Home Site:
Poland Place, Angmering, West Sussex, BN16 4PP

Prepared by: Knight Frank LLP, 55 Baker Street, London, W1U 8AN



PLANNING NEEDS ASSESSMENT

NOVEMBER 2020

ARCHIVE DOCUMENT COPY

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ARUN DISTRICT COUNCIL A/3/21/PL

1. INSTRUCTION

ARUN DISTRICT COUNCIL A/3/21/PL

1.1 Purpose

Knight Frank has been instructed to prepare a planning needs assessment report on behalf of Savista Developments Limited. The report is for the proposed care home development at Pound Place, Angmering, West Sussex BN16 4PP. Planning permission was granted for 64 bed care home in December 2019. A revised planning application is currently being prepared at the time of writing this report in order to develop a further 10 bedrooms.

Analysis of the population and demographics of elderly population and existing and future supply has been carried out in conjunction with Savista Developments Limited's proposed development.

1.2 Methodology and Data Sources

In order to establish whether there is a need for the proposed development, a supply and demand model has been applied where current and future supply bed numbers are assessed and demand is calculated using LaingBuisson's elderly care requirement penetration percentages against projected Census population data. Deducting existing and future bed numbers from bed demand numbers will determine either an under-supply or an over-supply of beds within the selected catchment area.

We have estimated the quality of existing bed provision using the measure of market standard beds, which are bedrooms with en suite facilities. This will at the very least, include a WC and wash basin. A further layer has also been applied to assess the quality of the existing provision by reviewing en suite bedrooms that have wet rooms, which has been obtained via online sources and telephone conversations with the existing care homes.

In addition, we have also excluded any homes that have 30 or fewer registered beds as the majority of these homes may not be future-proof or viable to operate in the future. This has been elaborated on in section 5.3. The quality of an en suite bedroom will vary from one home to another in regards to size, layout, fittings and if it includes wet room provision. With the dataset available, analysing en suite bedrooms in its entirety is considered the most appropriate measure of assessing supply from a quality perspective with the wet room provision analysis adding a further layer to this review. Bedrooms excluding en suite facilities are not considered to be suitable for 21st century care and do not conform to the current market standard requirements.

Please note, bed numbers have been split into three parts, beds with en suites which comprises all en suite beds (market standard) beds with en suite wet rooms (market standard beds with wet rooms) and en suite beds within care homes that have more than 30 registered beds. The wet room beds are included in the all en suite beds figures and are not in addition to this.

We have utilised a number of different sources to collate information on the demand, existing and future care provision and demographics on a desktop basis. The following sources have been used to support this report:

Tomorrow's Guides

2020 A-Z dataset for details of existing provision within a defined search area.

LaingBuisson

Old age bed requirements as a percentage, based on people in nursing and residential homes, NHS long stay hospitals and units for older and older mentally ill people.

Online Sources

www.carehome.co.uk, www.cqc.org.uk, www.housingcare.co.uk and local authority planning application web searches.

CACI

This tool has been used to assess the supply and demand position, which collects information from various data sources including A-Z dataset and Census 2011 population. This system also comprises ACORN's consumer classification tool.

Future Supply

The future supply was researched on 26/10/2020 via local planning authority websites. Any planning applications submitted after this date have not been researched.

Within the catchment area, we analyse care home schemes for the elderly that have been submitted, pending consideration and granted. We then review and exclude any schemes that have been refused or withdrawn. We carryout a detailed review of the floor plans within the planned schemes to quantify bed numbers where possible. This includes new builds, conversions and extensions. Where information is not available, we contact the local authority directly in order to arrive at an accurate conclusion.

Dementia Demand

We analyse the statistics for dementia demand within the UK using our own research, as well as external sources (*Tomorrow's Guides, Alzheimer's Research UK*).

Trading Performance Research

Supported by data provided to Knight Frank by care home operators within the United Kingdom, the Care Home Trading Performance Research provides industry-leading benchmarks on occupancy rates, average weekly fees, costs such as staff and agency outlays, and profitability. Knight Frank aggregates the data provided and produces benchmarks on key performance indicators at national, regional and county levels.

Modern Purpose-Built Developments

We have carried out a review of all the modern purpose-built elderly care homes that have opened in the UK since 2016, as well as a separate review of the relevant county. This exercise highlights the percentage of homes that fall within their respective bed bands. This exercise is up to date till October 2020.

T.1 Instruction Summary

Client	Savista Developments Limited
Site Address	Pound Place, Angmering, West Sussex BN16 4PP
Purpose of advice	Planning Needs Assessment
Date of engagement	21st October 2020
Prepared by	Mandip Bhogal

2. PROPOSED SCHEME

2.1 Proposed Site and Situation

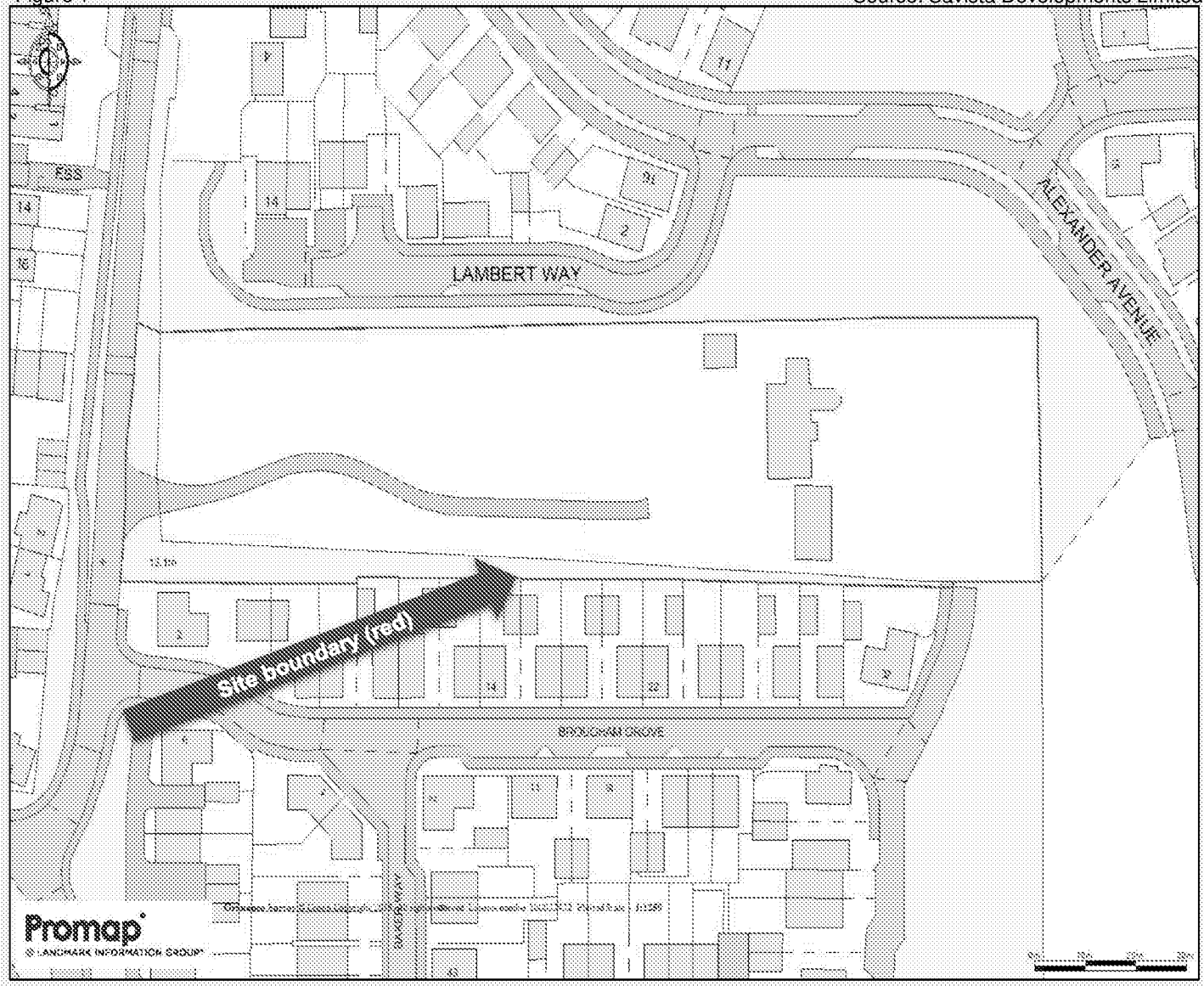
The proposed site is located North East of Angmering railway station, on Roundstone Lane, Angmering, West Sussex BN16 4PP. The site comprises the curtilage of a single dwelling known as Pound Place.

We are advised that Savista Developments Limited have purchased the 1.9 acre site shown in Figure 1 for a standalone care home development. They have planning permission granted for a 64 bed care home. Savista Developments Limited propose to increase the bed numbers to 74 by utilising the roof space.

The site is surrounded by new residential developments comprising good quality two to five bedroom homes. The developers include David Wilson Homes and Cala Homes.

At the time of writing this report, the revised planning application is being prepared for the subject scheme.

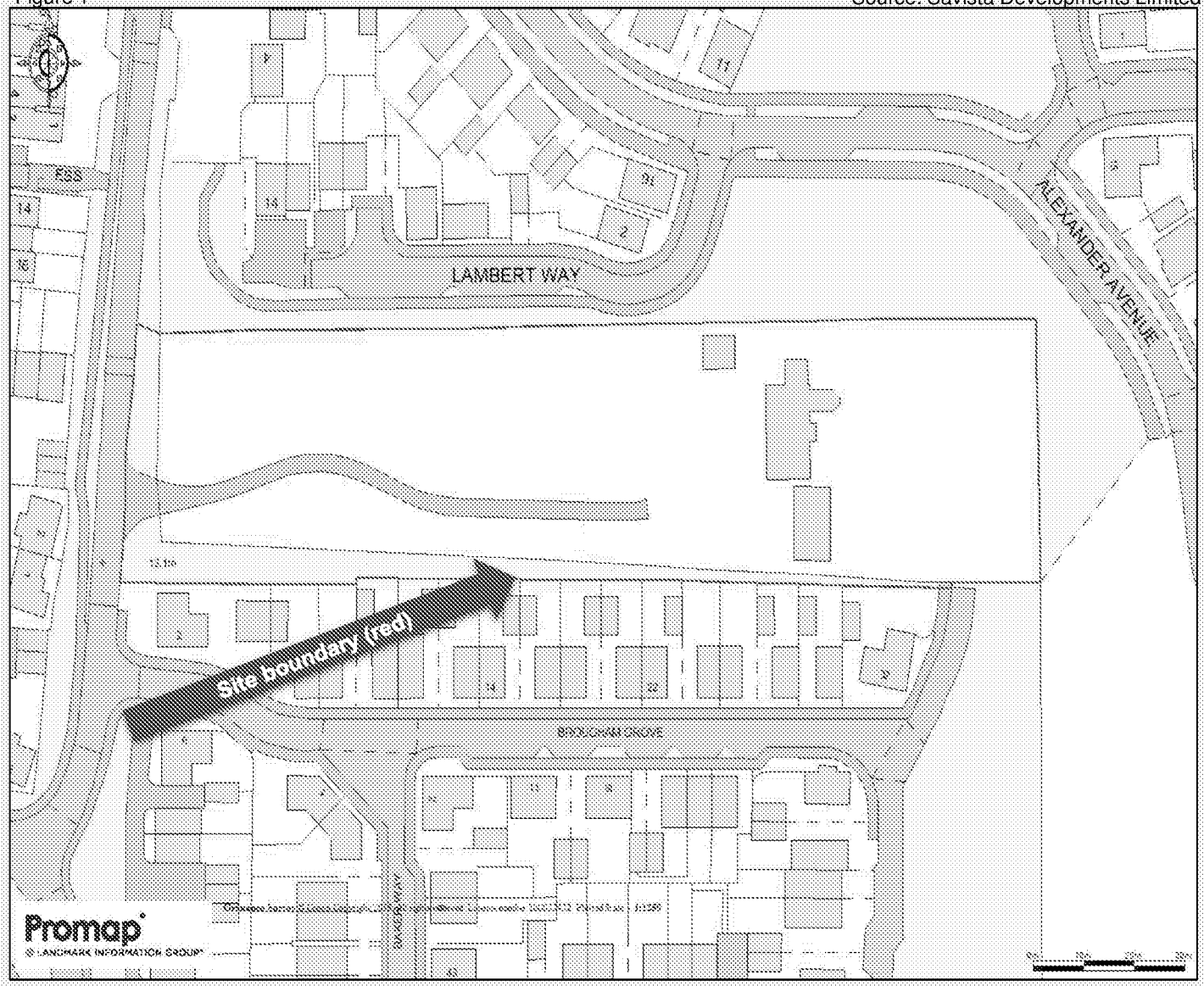
Figure 1 Source: Savista Developments Limited



The site appears to be very well suited to deliver a good quality care home scheme due to its size and regular shape. This will assist in providing an efficient layout and sufficient amenity space, ensuring sustainability of the proposed care home business within the local market.

The proposed scheme will be operated by Hallmark Care Homes, which is an independently run care home group that has been running for over 20 years. They are a multi-award winning operator with a number of homes across England and Wales. The operator has won numerous awards for its high standards of care and residents are able engage in activities to improve their standard of living whilst living at a Hallmark care home. (Source: carehome.co.uk)

Figure 1 Source: Savista Developments Limited



3. DEFINITIONS

3.1 Definition of a care home

A care home falls within Class C2 use of the Town and Country Planning (Uses Classes) Order 1987. Class C2 use is classified as "Residential Institutions" which comprises residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.

The Care Standards Act 2000 provides legislation regulating a variety of care institutions including residential care homes and nursing homes.

Care homes operate in a highly regulated sector and are administered by the Quality Care Commission (CQC). The CQC regulates all health and social care services in England and registers and monitors care homes to ensure that the quality and safety of care is adequate.

Figure 2 demonstrates the transition in accommodation for residents as their needs become acute. Personal care homes (also known as residential care homes) provide both long-term and short-term (also known as respite) care for the elderly residents, cared for by staff including Senior Carers and Care Assistants on a 24 hour basis. Staff will assist residents with dressing, personal hygiene, incontinence management, food and diet management and assist with basic treatments.

In addition to the level of care provided in personal care homes, nursing homes provide medical care via registered nurses on a 24 hour basis for residents with complex health issues.

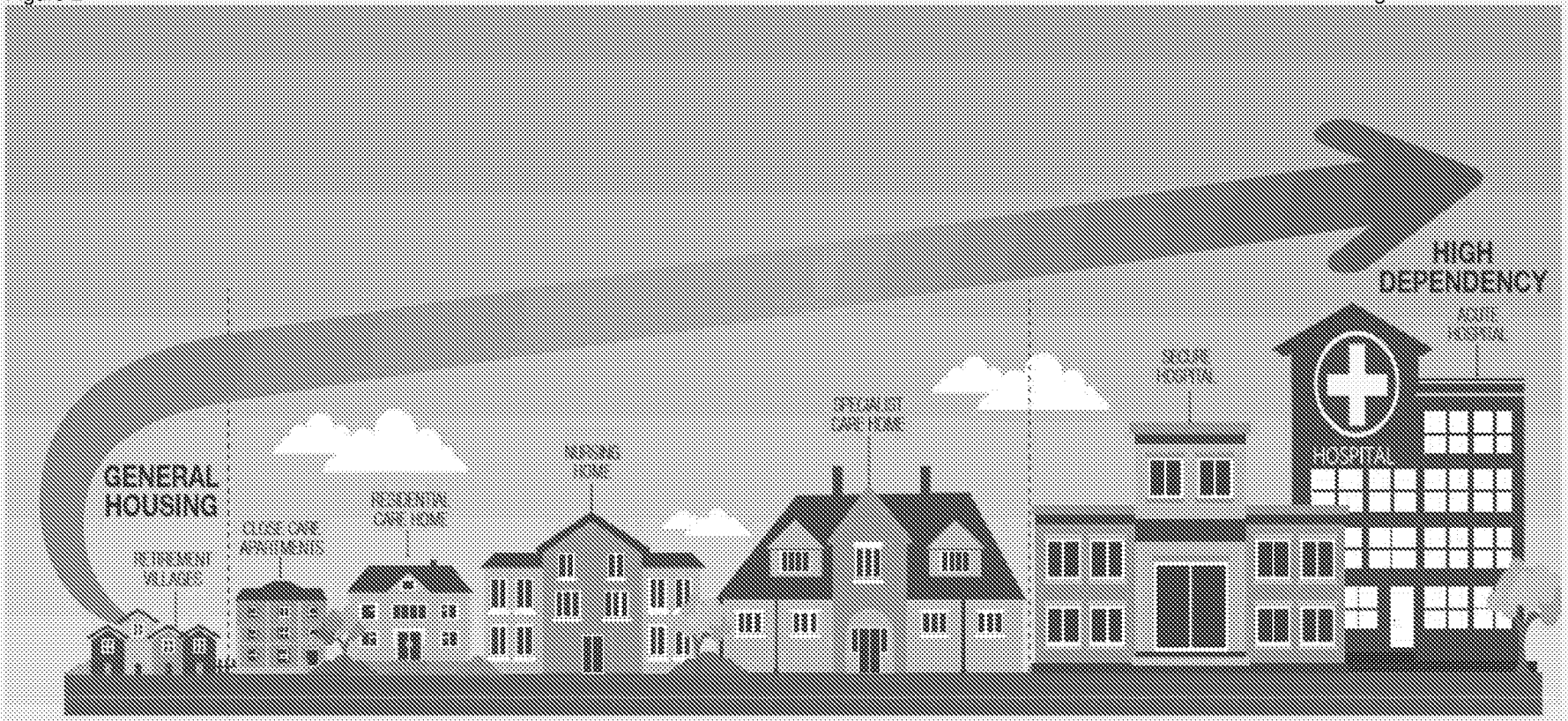
The subject scheme will be positioned to provide care for residents with medium to high level dependency via either residential or nursing care. Nursing care will provide for residents with a higher level of dependency due to their frail nature and medical requirements. Similarly, residents diagnosed with dementia will have high dependency.

Both personal care and nursing homes can provide care for residents with dementia or Alzheimer's.

The development proposed by Savista Developments Limited falls within the nursing home category as shown in Figure 2. The proposed scheme will provide 24 hour residential, dementia and nursing care.

Figure 2

Source: Knight Frank Research



4. EXECUTIVE SUMMARY

PLANNING NEEDS ASSESSMENT NOVEMBER 2020

Roffey Place, Angmering, West Sussex, BN16 4PS

10 minute drive-time catchment area

T.2 Demand	2024	2029	5 Year Variance
Aged 65-74	58	66	8
Aged 75-84	296	323	27
Aged 85+	489	576	86
Total beds required	**843**	**964**	**121**

T.3 Supply	No. of Homes	Beds with En Suites (All)	Beds with En Suites (All) >30 bed care homes	Beds with En Suite Wet rooms
Personal Care	13	248	71	87
Nursing Care	8	415	389	228
Future Supply (Excluding Subject Scheme)	2	142	142	142
Total Supply	**23**	**805**	**602**	**457**

T.4 Gap	2024	2029
Gap – market standard beds *	**+38**	**+159**
Gap – market standard beds * (>30 bed care homes)	**+241**	**+362**
Gap – market standard beds * (with wet rooms)	**+386**	**+507**

Census 2011, LaingBuisson, A-Z Care Homes, CACI

* Bedrooms with en suite facilities

Gap showing a minus represents an over-supply and gap showing a positive represents an under-supply

TOTAL BEDS BY REGISTRATION TYPE OF EXISTING SUPPLY

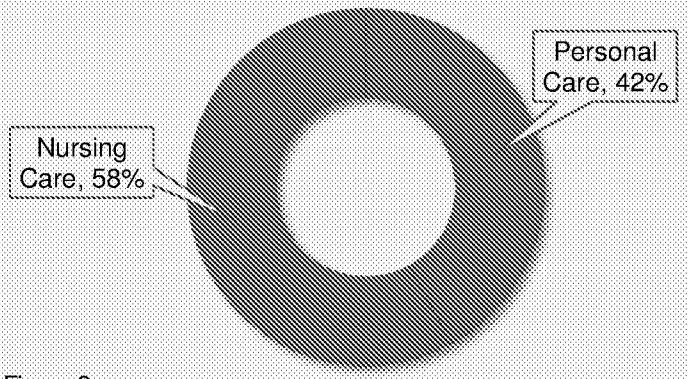


Figure 3

WET ROOM EN SUITE BEDS VS NON-WET ROOM EN SUITE BEDS IN EXISTING SUPPLY

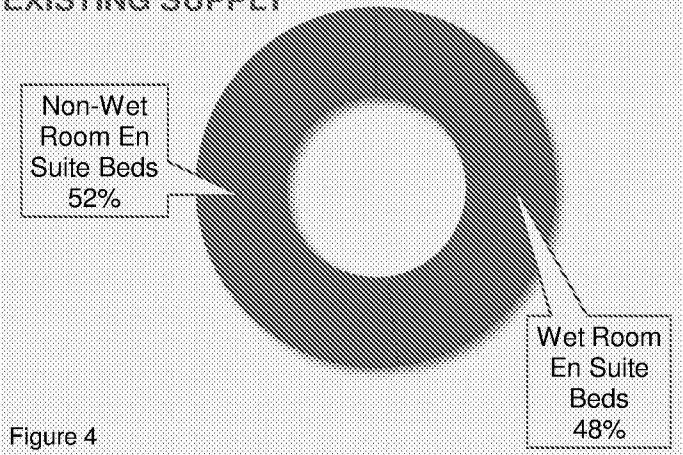


Figure 4

4.1 Overview

If the existing provision remains the same and the planned schemes (excluding the subject scheme) are developed by 2029, the under-supply of market standard beds is estimated to increase to 159. When considering bedrooms with wet room provision, a substantial shortfall of 507 market standard beds is estimated.

Within the selected catchment area, only 48% of existing en suite bedrooms comprise future-proof en suite wet rooms. In a post COVID-19 environment, the requirement for en suite wet rooms has accelerated even further as it allows residents to limit the use of shared assisted bathrooms and improve infection control.

Therefore a substantial under-supply of bed provision is established within the catchment area, particularly when assessing the existing provision from a quality perspective. The schemes identified within the planning pipeline do not fulfil the shortfall of market standard beds.

Due to the ageing population within the selected catchment area, the lack of modern care home facilities and demand outstripping supply, a substantial need is estimated for the subject scheme.

SITE & LOCATION

The site area and shape is suitable to support a modern purpose-built care home facility.

The site is situated in an accessible, sustainable and prominent location.

DEMOGRAPHICS

Within the selected catchment area, the elderly population is well above the national average and is projected to increase by a substantial 13% from 2024 to 2029.

EXISTING SUPPLY

67% of the existing supply is operating within older converted properties.

There is only one modern purpose-built facility within the catchment area. This highlights that the stock within the catchment area is significantly dated.

FUTURE SUPPLY

At the time of writing this report, there are two proposals within the planning pipeline, excluding the subject scheme. These proposals comprise more than 60 beds highlighting the large demand for more modern purpose-built future proof care homes within the selected catchment.

SUPPLY AND DEMAND POSITION

A substantial shortfall of 159 market standard beds is estimated by 2029 which increases to 507 market standard beds when considering en suite wet rooms only. This further highlights the dated stock within the area as well as the large under-supply that exists on an asset quality basis.

5. UK CARE HOME MARKET

PLANNING NEEDS ASSESSMENT NOVEMBER 2020

Pound Place, Angmering, West Sussex, BN16 4PS

5.1 UK Population and Bed Demand

As illustrated in Figure 5, the elderly population is projected to reach 15.1 million by 2030 with 22% of the overall population aged 65 and over 3% of the overall population aged 85 and over. As shown in Figure 5, 65+ population will increase by a substantial 20% from 2020 to 2030.

As the UK population ages, the demand for care also increases. LaingBuisson calculates demand for elderly care beds based upon their 2019 estimation of general old age bed requirements. This calculation is based upon their research on elderly people in nursing and personal care homes, NHS long stay hospitals and units for older and older mentally ill people. They have identified the following percentages to calculate demand:

T.5 Age	Percentage
65-74	0.58%
75-84	3.30%
85+	13.60%

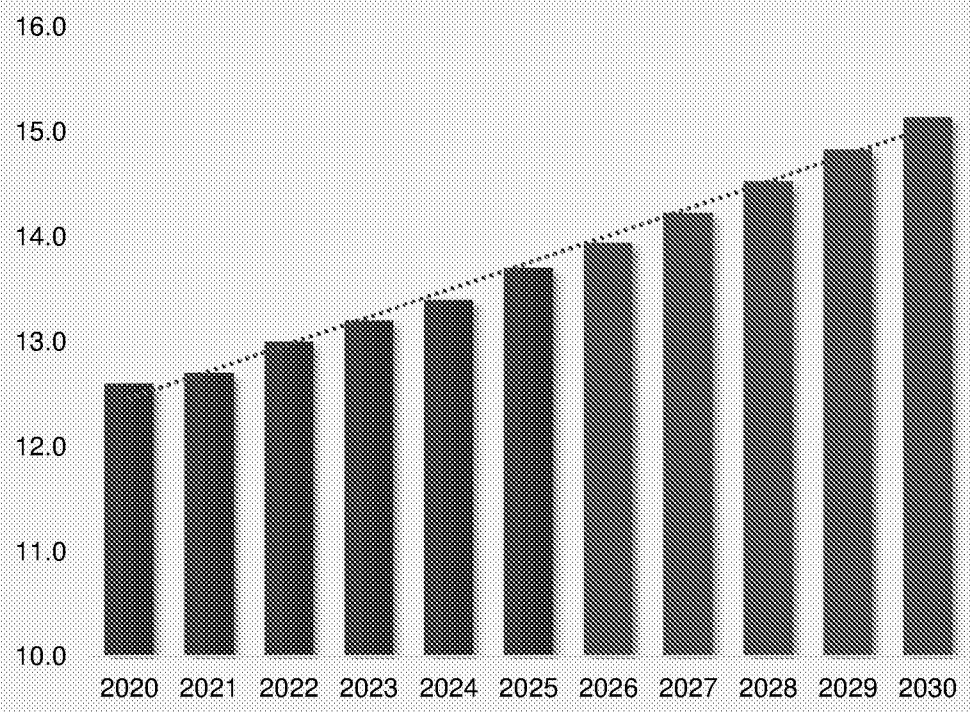
By applying the percentages shown in T.5 to elderly population statistics by the relevant age bands, UK bed demand will increase to 444,009 by 2024, and 505,493 by 2030.

5.2 Supply

Currently within the UK there are 12,171 personal care homes and nursing homes providing care for the elderly. These homes include specialist dementia care and exclude any specialist care homes for younger adults. The existing supply of beds are measured by analysing market standard beds. Currently 30% of bed provision does not conform to the current market standard in the UK, which equates to 144,500 beds.

Figure 5

UK POPULATION PROJECTIONS FOR 65+, MILLION



Knight Frank Research, 2018-based Principal projection - Office for National Statistics

As shown in Figure 6, the current supply of market standard beds within the UK stands at 335,073. The bed demand by 2024 is estimated at 444,009 beds which will create a substantial shortfall of 108,936 market standard beds by 2024. This study assumes that the existing provision will remain the same until 2024.

5.3 Challenges for the sector ahead

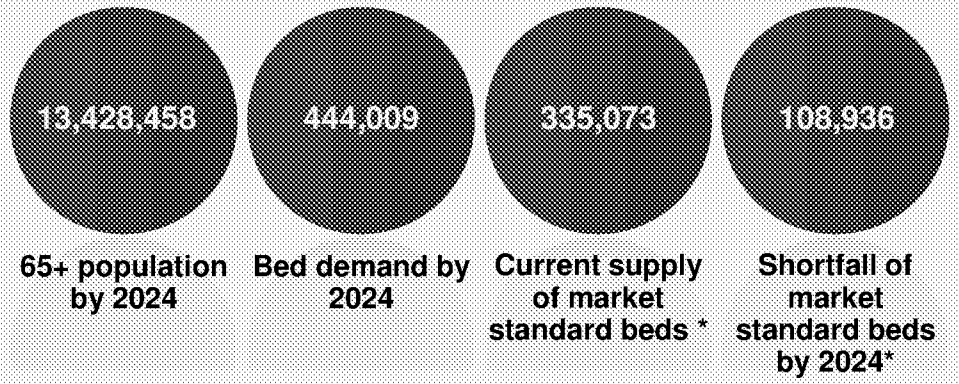
Knight Frank's Research predicts that circa 6,500 homes are at risk of closure within the next five years as the UK care home sector faces staffing challenges post Brexit; increases in the National Living Wage; a shortfall of qualified nurses, the issues relating to social care funding and additionally the effect of COVID-19 in 2020. These challenges will most likely have a greater effect on smaller care homes, which offer less than 30 registered beds, where economies of scale are not achieved and where the buildings are typically old converted stock, lacking facilities required for 21st century care. This consequently restricts the operator's ability to increase fee rates to sufficient levels to compensate for the rising staff costs.

This is supported by Knight Frank's Research shown in Figure 7. There was a net gain of 603 beds in the South East in a three year average to April 2020, highlighting the appetite to replace outdated stock with modern purpose-built facilities. Although there was a net gain of 603 beds, there was a net loss of 57 care homes as the average size of the care homes closing in the region was 28 beds and new registrations were 59 beds on average. This places a further emphasis on many smaller care home schemes not being viable to operate, thus highlighting the requirement for modern purpose-built facilities within this region such as the subject site.

It is generally accepted for modern, future-proof care home schemes to comprise at least 60 beds to gain operational efficiencies.

This national crisis in provision will also place greater pressure on the government to provide sufficient funding for social care and encourage local authorities to support care home developments in order to speed up the rate of delivery to meet the demand.

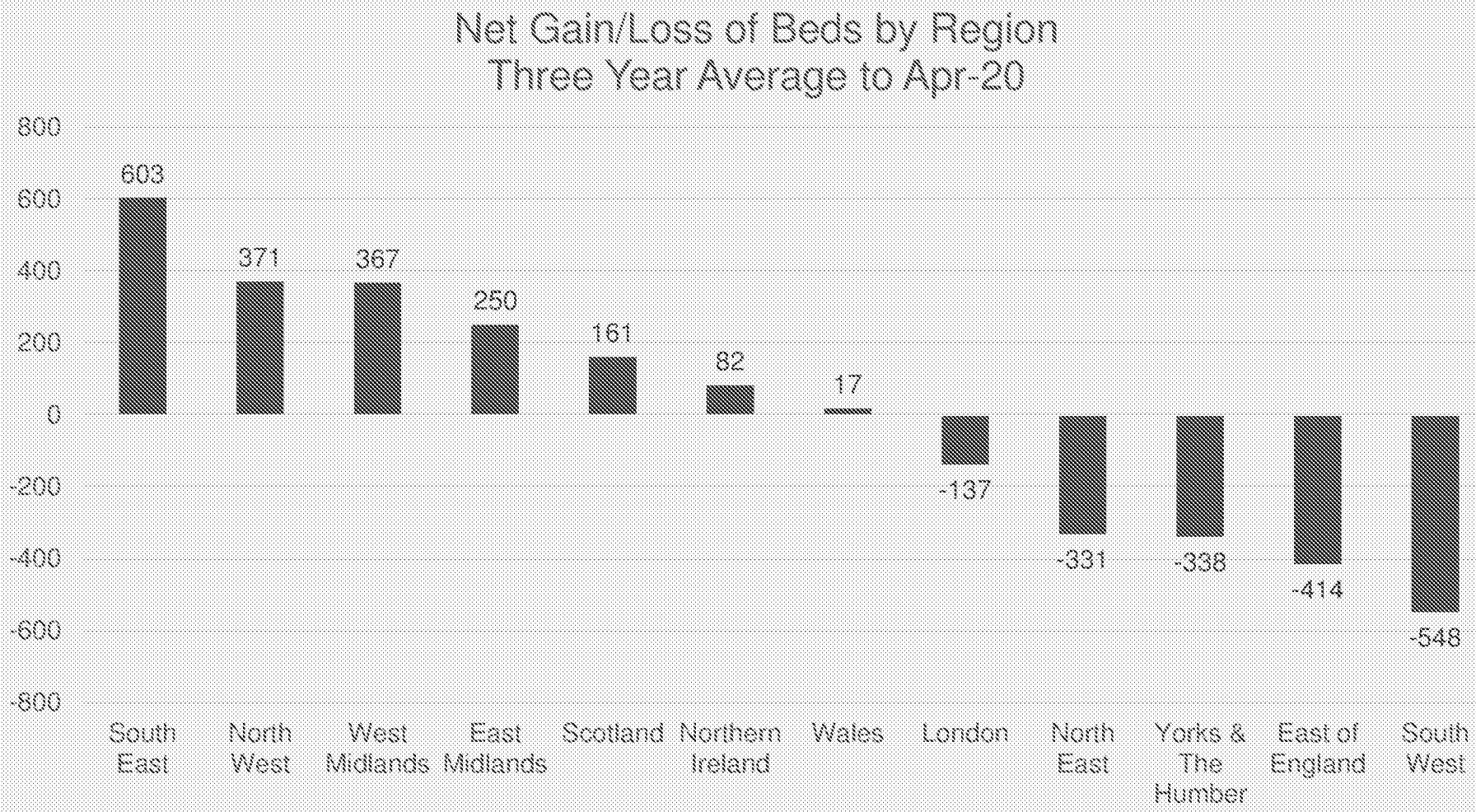
Figure 6



* Market standard beds are rooms with en suite facilities

Knight Frank Research, LaingBuisson, A-Z Care Homes, Office for National Statistics

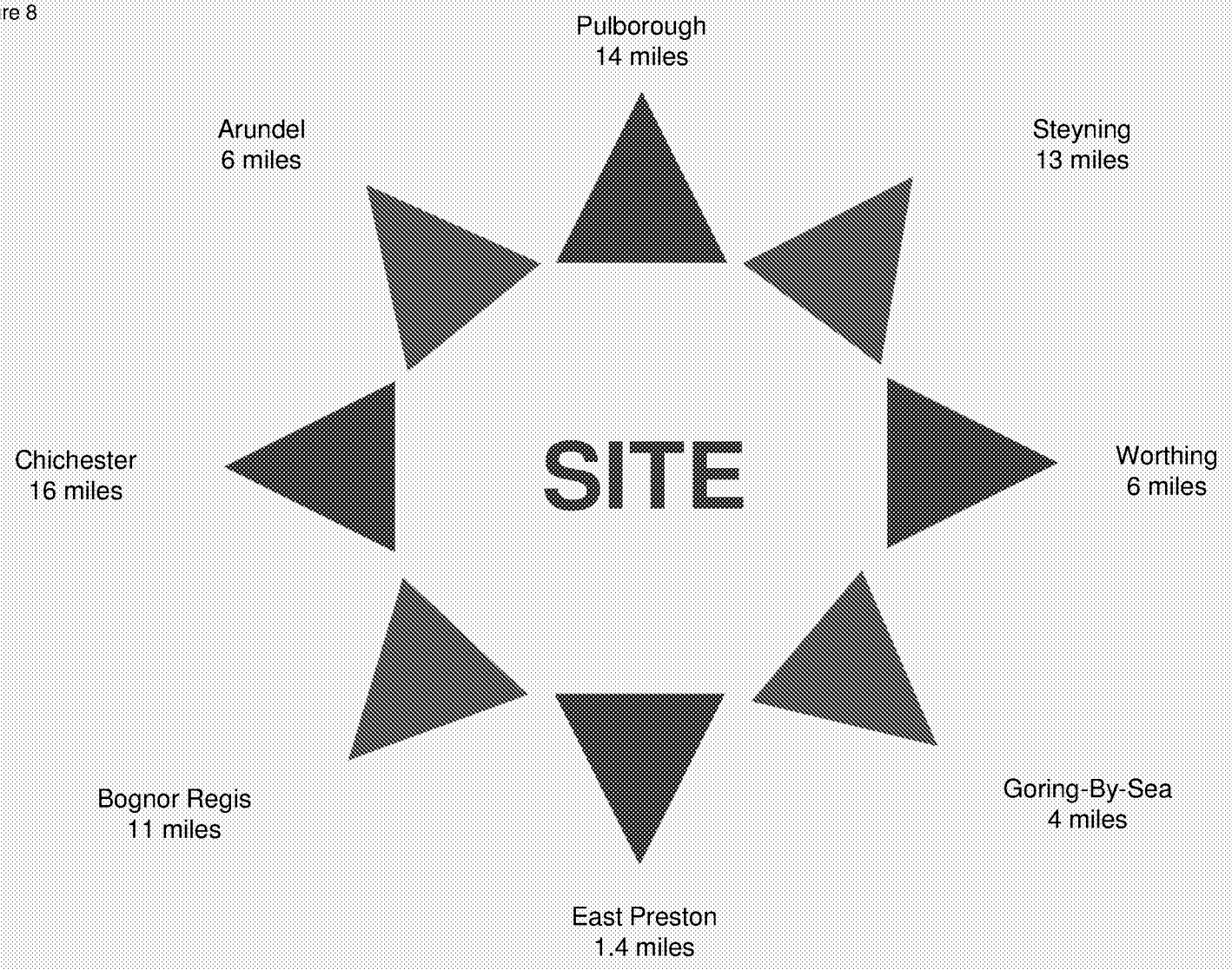
Figure 7



Source: Knight Frank Research, A-Z Care Homes

6. LOCATION

Figure 8


Pulborough
14 miles
Arundel
6 miles
Steyning
13 miles
Chichester
16 miles
SITE
Worthing
6 miles
Bognor Regis
11 miles
Goring-By-Sea
4 miles
East Preston
1.4 miles

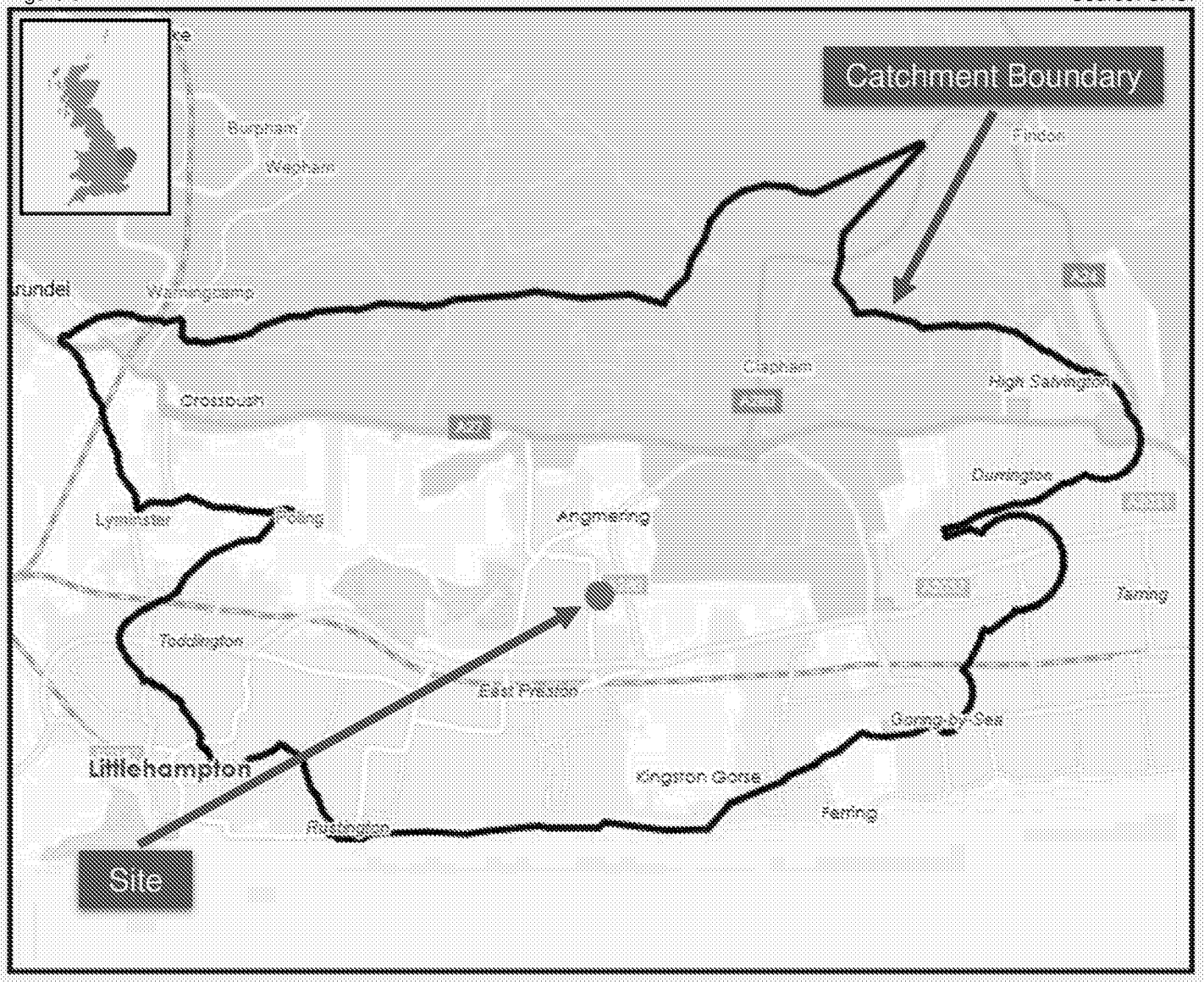
6.1 Selected Catchment Area

Catchment areas are selected using local knowledge of the care market, size of settlements, accessibility and intelligence on how far residents travel from.

We assess catchment areas using a drive-time distance from the subject site, which is calculated based on an average of off-peak and peak drive-times. This is a more accurate approach to generating catchment areas when compared with analysing a radius in miles ("as the crow flies") which will not take into consideration any obstacles which will increase the journey time to the subject scheme, such as rivers, national parks etc.

Service users will typically come from areas with a drive-time of between 10-20 minutes / 3-8 miles of a care home. The catchment area can be distorted in the instances where say a family member is the decision maker who is situated in the area but their relative, the service user, is located a further distance away.

Figure 9 Source: CACI



6.2 Selected Catchment Area

The site is located in Angmering, which is an affluent and large village with a population of circa 7,600. The site is located six miles west of Worthing and only two miles from the south coast of England. The A27 connects the site to Chichester and Worthing.

As the site is well-connected, we believe that the draw will come within a 10 minute drive-time from the subject site, comprising the immediate settlement, but also the nearby towns and villages as shown in Figure 9. The catchment area comprises population in excess of 70,000.

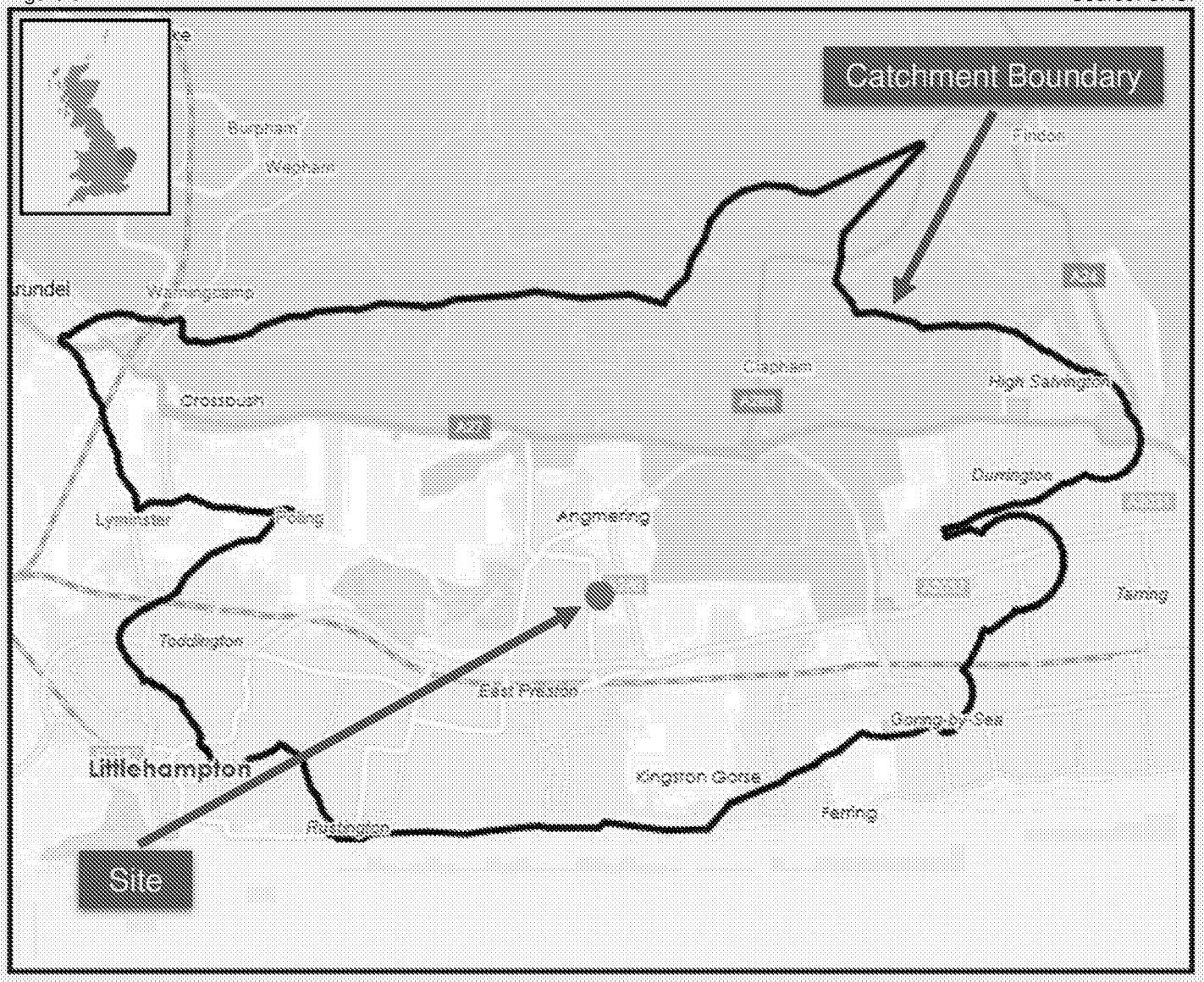
6.3 Accessibility

The site is located on Roundstone Lane, which is just under one mile from the centre of Angmering. It is situated in an accessible location for both staff and visitors. This will be further elaborated on in section 6.5.

6.4 Prominence

We are advised that the site will be fronting Roundstone Lane. This positions the site in a prominent location for marketing purposes, specifically during the scheme's commissioning phase. This ensures

Figure 9 Source: CACI



sustainability of the subject scheme.

6.5 Local Transport

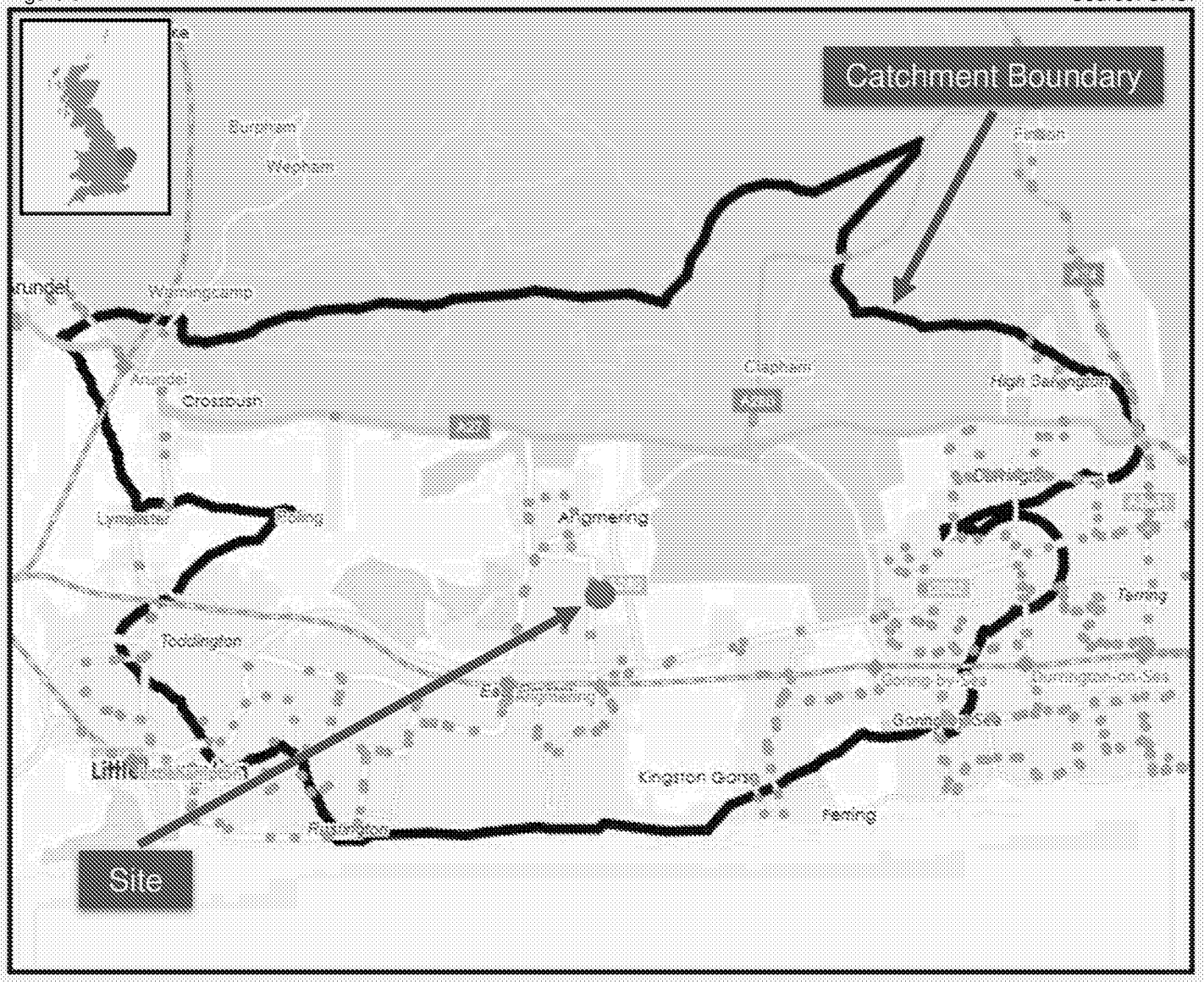
The site is very well-connected to a number of nearby bus stops serving the number 9 service. There is a bus stop to the immediate right of the subject site which is conveniently located.

The Angmering railway station is also walking distance from the subject scheme, located just over one mile away.

The accessibility of the scheme via public transport is beneficial for potential staff and visitors.

Figure 9

Source: CACI



7. POPULATION AND DEMOGRAPHICS

PLANNING NEEDS ASSESSMENT NOVEMBER 2020

Roffey Place, Angmering, West Sussex, BN16 4PS

ARUN DISTRICT COUNCIL A/3/21/PL

7.1 Population

Population statistics for 2024 and forthcoming years are projected using the 2011 census dataset. T.6 and T.7 illustrates estimated population for 2024 and 2029 within the catchment area, showing population by age band and the percentage of the population within each age band against the total. The percentages are also compared against the national averages by age band.

Within the 10 minute drive-time catchment area, the elderly population is estimated to be well above the national average. The elderly population is expected to increase by a substantial 13% from 2024 to 2029. Demand for elderly care beds will subsequently increase by 121 beds in the same period.

As elaborated in section 9, there is only one modern purpose-built care home at present within the selected catchment area. Therefore, due to the ageing population in the selected catchment area, the lack of modern care home facilities and with demand outstripping the supply, there is a substantial need for the subject scheme.

Moreover, the demographics show a higher proportion of elderly females within the catchment area. This trend is of no surprise as life expectancy for females is typically higher than males. A similar trend between male and female is often found in care homes, where a higher proportion of female residents to male are admitted, although recent trends suggest that this gap is now closing.



T.6 2024 Age Bands	Population	Area %	GB %	Index av =100
0 - 14	11,212	15.1	17.7	85
15 - 24	6,334	8.5	11.5	74
25 - 44	13,761	18.5	25.9	71
45 - 54	8,805	11.8	12.2	97
55 - 64	11,000	14.8	13.0	114
65 - 74	10,671	14.4	9.9	145
75 - 84	8,963	12.1	7.1	169
85+	3,599	4.8	2.7	177
Total	**74,345**			

T.7 2029 Age Bands	Population	Area %	GB %	Index av =100
0 - 14	11,060	14.2	17.0	84
15 - 24	6,895	8.9	12.2	73
25 - 44	13,581	17.5	24.8	71
45 - 54	8,704	11.2	11.9	94
55 - 64	11,226	14.5	12.6	115
65 - 74	12,209	15.7	10.8	146
75 - 84	9,773	12.6	7.6	165
85+	4,233	5.4	3.1	174
Total	**77,681**			

7.2 Demographics

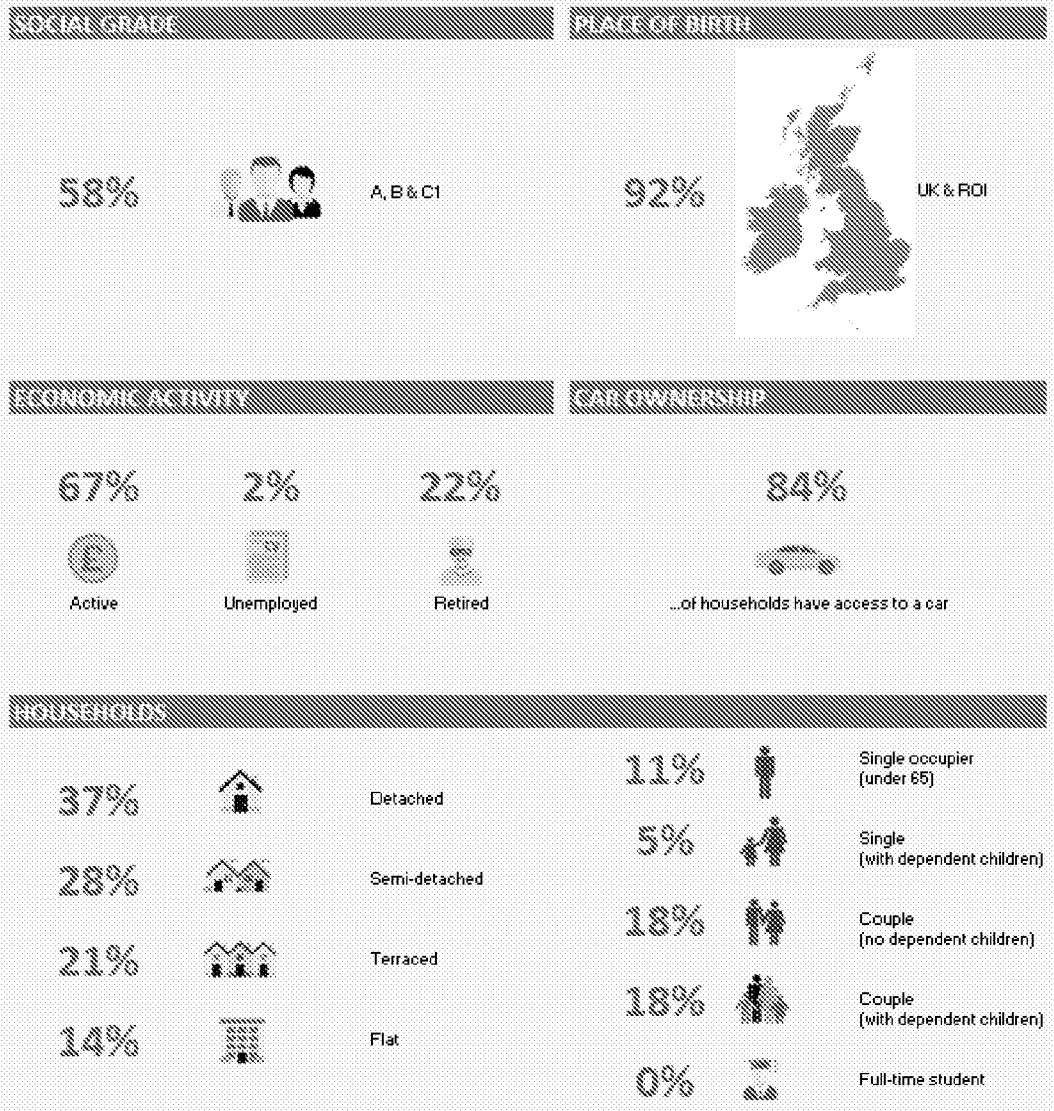
CACI's consumer classification tool segments the UK population by analysing demographic dataset, consumer behaviour and takes into account social factors. This study helps us understand the types of people that live within the selected catchment area and whether the demographics support the proposed care home scheme. This is because a care home operator is not only selling the home to a service user but also to their relatives or friends. Therefore, we are analysing population in its entirety.

58% of the population in the catchment area fall within the social grade groups A, B and C1 who are individuals with higher or intermediate managerial/admin/professional positions and supervisory, clerical, junior managerial/admin/professional jobs. In addition, 23% of the demographics within the catchment area are skilled manual workers and 19% are semi-skilled and unskilled manual workers.

This shows a balanced mix of professionals and non-professionals, therefore comprising potential for bill payers as well as potential staff for the care home.

This study again supports the sustainability argument of the subject scheme.

Figure 10 Source: CACI



8. DEMAND

PLANNING NEEDS ASSESSMENT NOVEMBER 2020

Roffey Place, Angmering, West Sussex BN16 4PS

ARUN DISTRICT COUNCIL A/3/21/PL

8.1 Demand

Demand is based upon LaingBuisson's 2019 estimation of general old age bed requirements. Using their research on elderly people in nursing and personal care homes, NHS long stay hospitals and units for older and older mentally ill people, they have identified the following percentages to calculate demand:

T.8 Age	Percentage
65-74	0.58%
75-84	3.30%
85+	13.60%

The percentages shown in T.8 are then applied to the Census 2011 projected population numbers per age band. For clarification, 13.60% of 85+ population are forecasted to require care beds. Please note, this is an indicator for demand only and is not a direct measure.

T.9 illustrates the well above national average estimated elderly population within a 10 minute drive-time catchment area (31.30% of the over population within the catchment when compared with 19.70% on a national level).

Demand as at 2024 is estimated to stand at 843 beds, increasing to 964 beds by 2029. In the five years from 2024, the elderly population is projected to increase by 2,982, meaning demand will increase by 121 beds.

One of the limitations to predicting demand for the future is to predict future trends in the market that will effect bed requirements i.e. in the instance where technology allows for residents to stay in their own homes or regulatory or political changes. Events such as COVID-19 may also have an impact on demand predictions.

T.9 Projected Population (age)	2024	2029	5 Year Variance
65-74	10,671	12,209	1,538
75-84	8,963	9,773	810
85+	3,599	4,233	634
Total	**23,233**	**26,215**	**2,982**

T.10 Bed Demand (age)	2024	2029	5 Year Variance
65-74	58	66	8
75-84	296	323	27
85+	489	576	86
Total Requirement	**843**	**964**	**121**

9. CURRENT SUPPLY

9.1 Current Supply

As illustrated in T.11, there are 13 personal care homes and eight nursing homes within the 10 minute drive-time catchment area. Of the 21 care homes identified, a substantial 14 are older conversions.

There is only one modern purpose-built facility within the selected catchment area and only two care homes comprise 100% en suite wet room provision. In total, 90% of existing stock within the catchment area lacks full en suite wet rooms. This highlights the need for modern rooms with future-proof en suite facilities within the catchment area.

Further details of the existing provision is provided in the Appendix.

As illustrated in Figure 12, 76% of personal care homes and 67% nursing homes are owned by private organisations. 14% of personal care homes and 28% nursing homes are owned by voluntary/charitable organisations with the remaining owned by the local authority.

Moreover, 67% of the existing stock comprises converted property. 28% of the stock comprises older purpose-built facilities, meaning just one home (5% of the stock) is modern purpose-built stock.

T.11 Current Supply	No of Homes	Beds with En Suites (All)	Beds with En Suites (All) >30 bed care homes	Beds with En Suite Wet rooms
Personal Care	13	248	71	87
Nursing	8	415	389	228
Total Supply	**21**	**663**	**460**	**315**

Figure 11
NUMBER OF HOMES BY CARE TYPE

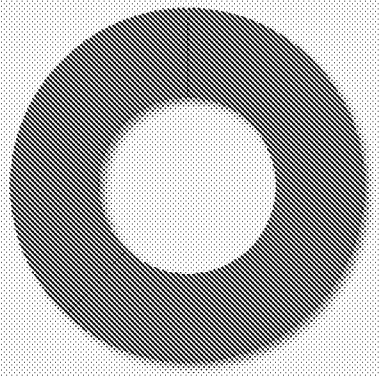


Figure 12
OWNERSHIP – PERSONAL & NURSING CARE

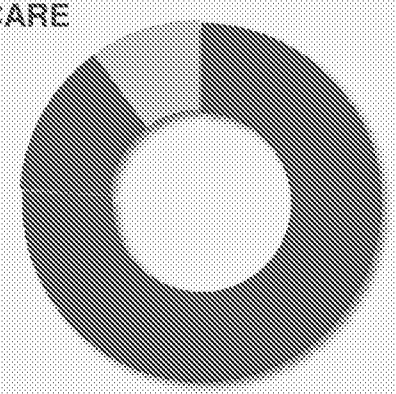
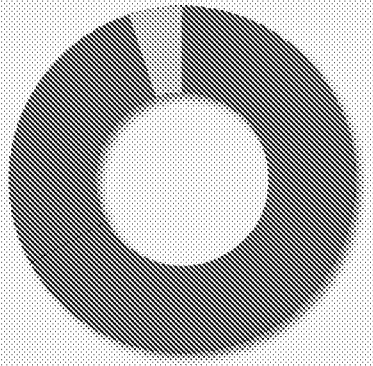


Figure 13
PROPERTY TYPE – PERSONAL & NURSING CARE



9.2 Service Type

Figures 14 and 15 illustrate the number of homes per care type providing specialist, mental health and dementia care for the elderly. We have not quantified bed numbers allocated or designed for these service types as they are subject to change dependant upon the needs of individual residents.

Homes providing dementia care are often designed and fitted with dementia care facilities such as colour-coded door signs, switches, tailored furniture and memory boxes to navigate a dementia resident to their rooms etc. These rooms can also be occupied by residents that are not diagnosed with dementia.

For the purpose of this exercise, we have quantified the number of homes that provide the following service types for the elderly:

- Specialist care which may comprise hearing impairment and deafness, Parkinson's disease, schizophrenia and visual impairment
- Mental health condition
- Dementia or Alzheimer's

As shown in Figure 14, of the 13 personal care homes identified within the selected catchment area, six provide dementia care, 10 provide specialist care and 2 provide mental health care.

As shown in Figure 15, of the eight nursing homes identified within the selected catchment area, six provide dementia care, eight provide specialist care and one provides mental health care.

In total, of the 21 care homes, 12 provide dementia care and nine facilities fall short of providing this type of care, which will be elaborated on further in section 11.

Figure 14

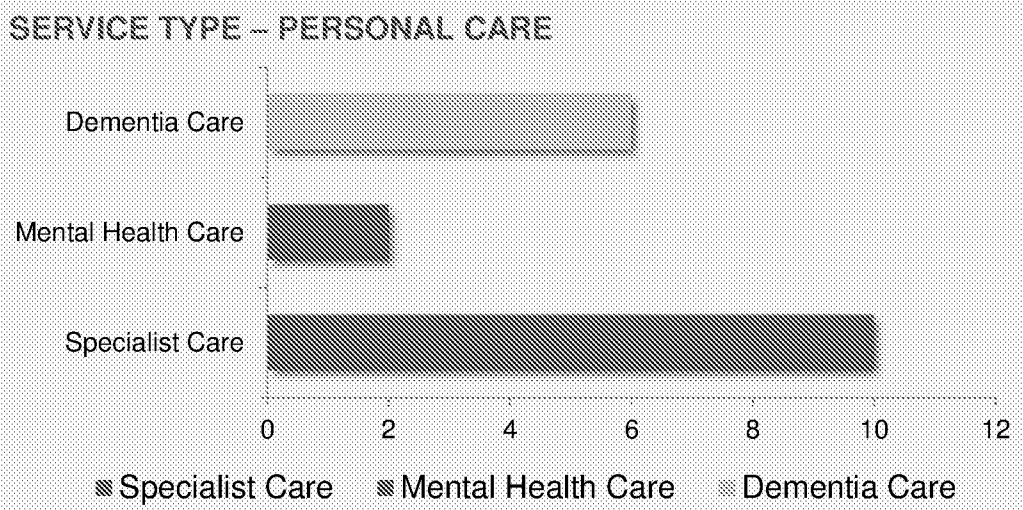
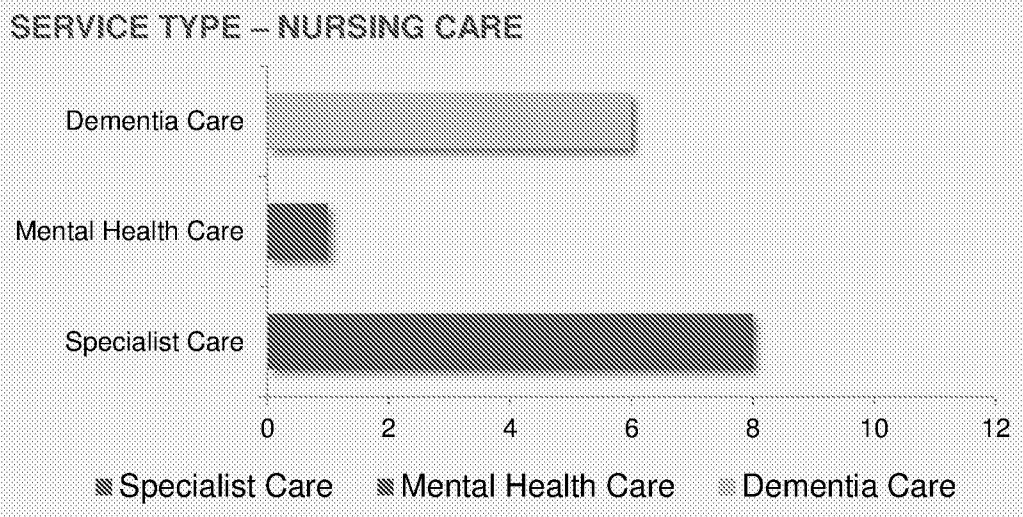


Figure 15



9.3 Homes by Type and Size of Existing Supply

The mapping in Figure 16 shows homes by care type and size.

The selected catchment area includes 13 personal care homes and eight nursing homes. No personal care homes comprise 60 or more beds.

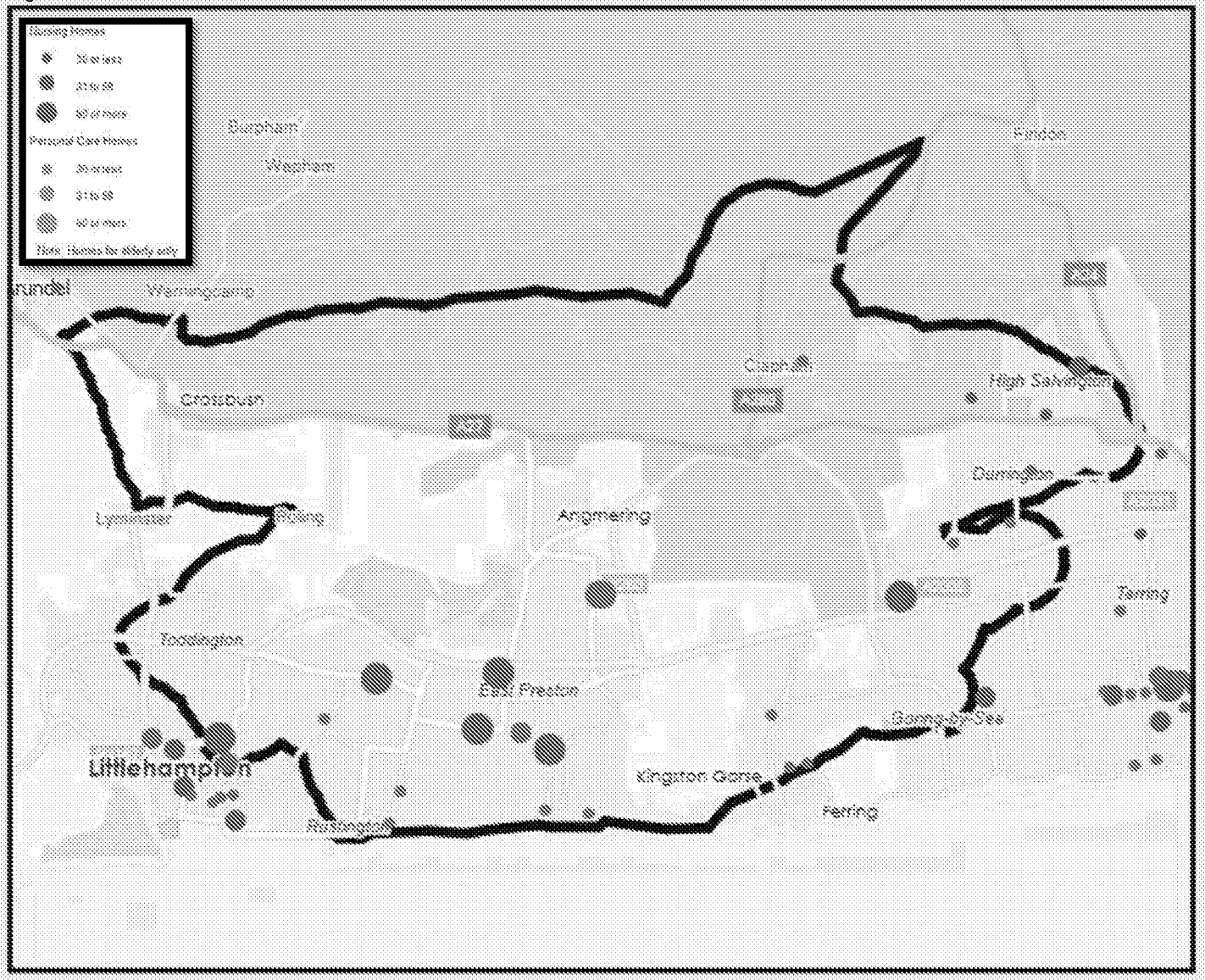
Oaklands Grange (see Appendix) is one of only two purpose-built personal care homes within the catchment area, located towards Littlehampton. Despite this, only six of its 42 rooms have en suite wet room provision.

Of the eight nursing homes within the catchment, only one is a modern purpose-built. facility In addition, only two of these eight homes provide full en suite wet room provision, meaning 75% of the nursing home stock lacks full en suite wet room provision.

13 of the 21 existing care home schemes comprise 30 or fewer registered beds and as elaborated on in section 5.3, a large proportion of these may not be future-proof.

As shown in Figure 16, there are no care home schemes with 60 or more beds within the immediate vicinity of the subject site, despite the substantial need identified within the area.

Figure 16 Source: CACI



10. FUTURE SUPPLY

PLANNING NEEDS ASSESSMENT NOVEMBER 2020

Source: Planit, Arup, Iceni, West Sussex SHLAA

10.1 List of Future Supply

Future supply has been identified using online searches via local planning authority websites. Although reasonable endeavours have been made to ensure that all planning applications are captured, at the time of the searches, planning portals may not be up-to-date or schemes could have changed to effect future supply within the search area. The future supply for this report was analysed on 26/10/2020. Any planning applications submitted after 26/10/2020 have not been included. We have reviewed all planning applications in relation to care home developments that are pending consideration, approved, appealed or in appeal and schemes under construction. We have reviewed and excluded any schemes that have been refused or withdrawn.

Within the selected catchment area, excluding the subject site, there are two care home schemes within the planning pipeline. Both of these schemes comprise 60 or more beds.

This highlights the demand for future proof modern purpose-built facilities, as both of these proposals comprise 100% en suite wet room provision.

For the purpose of this study, we have excluded the subject scheme from the supply and demand position.

T.12 Address	Applicant/Developer/ Operator	Proposal	Planning Application Number	Planning Application Status	Net care home bed increase	Distance in miles from subject site
Broadlees, Dappers Lane, Angmering, Littlehampton, West Sussex BN16 4EN	Frontier Estates Ltd	Scheme comprises development of 70 bed care home	A/114/18/PL	Granted, 28/05/2019	70 (70 en suite wet rooms)	1.00
Land west of, Brook Lane, Rustington, south of A259, Littlehampton, West Sussex BN16 3JL	Store Property Investments Ltd	Scheme comprises demolition of existing buildings and construction of 72 bed care home	A/83/18/RES	Granted, 04/10/2018	72 (72 en suite wet rooms)	2.30

11. DEMENTIA DEMAND

PLANNING NEEDS ASSESSMENT NOVEMBER 2020

Source: Pegasus Group, Knight Frank, ONS, POPPI

11.1 Projected Number of People Living with Dementia in the UK

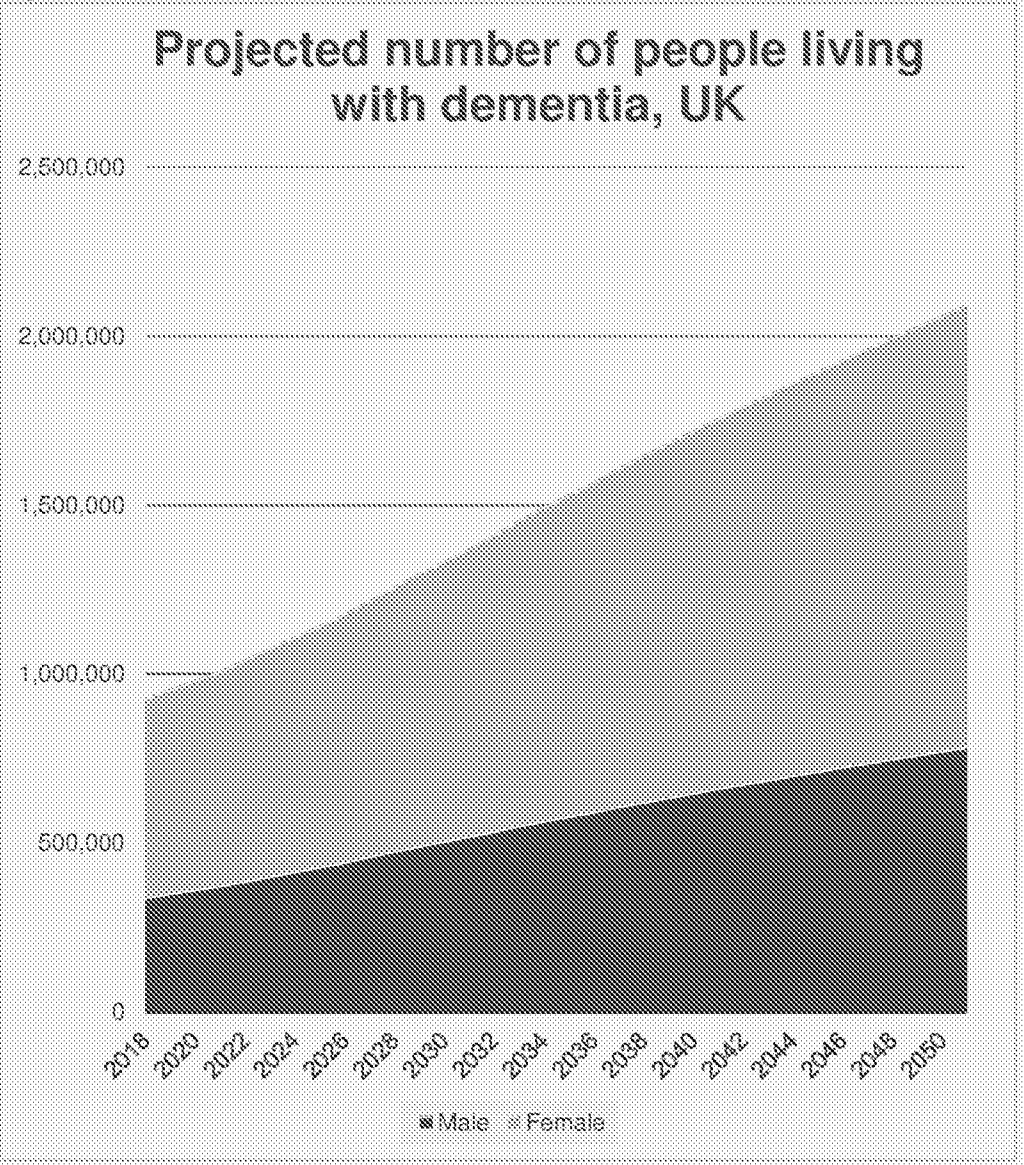
Dementia care is becoming more and more important for modern purpose-built facilities in providing a 21st century quality offering. Specialist dementia care is high on the agenda given the rising number of projected people living with dementia in the UK.

The Alzheimer's Research UK website defines dementia as a "word used to describe a group of symptoms including memory loss, confusion, mood changes and difficulty with day-to-day tasks". Moreover, dementia is caused by specific age-related diseases, including Alzheimer's, which affect the brain and result in the decline in one or more cognitive functions. Dementia is a diverse and complex disease. This is evident as for some it is a rapid and inconsistent decline in multiple cognitive functions.

Figure 17 highlights the projected number of people living with dementia in the UK. In 2020 the number of people living with dementia in the UK will be 981,726. Notably, dementia is more dominant within females as they accounted for 588,745 (63%) of people living with dementia in the UK in 2018 compared to 339,910 (37%) males.

In 2028, as expected with population growth, this number will increase to 1,258,022 people suffering with dementia in the UK. The trend of dementia being more prevalent among females continues as they will account for 781,028 of this number. However, the proportion in percentage is projected to drop slightly as the number of females living with dementia in the UK will make up 62% of the amount in 2028 compared to 63% in 2018.

Figure 17 Source: Alzheimer's Research UK

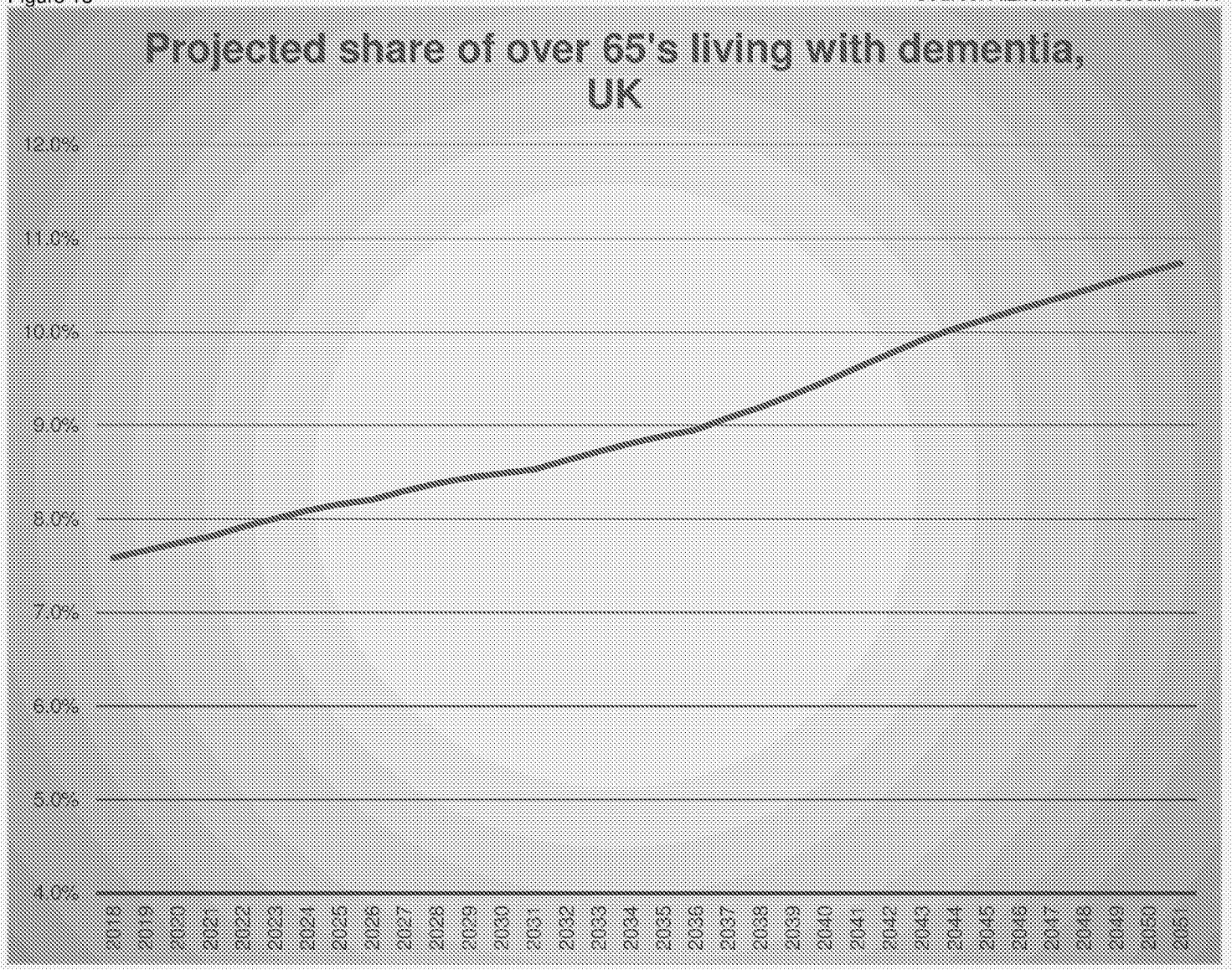


11.2 Projected Share of Over 65's Living with Dementia in the UK

Figure 18 displays the projected share of over 65's living with dementia in the UK with the number of over 65's living with dementia in the UK expected to rise annually. This is evident in Figure 17 as in 2020, 7.7% of over 65's will be living with dementia in the UK, compared to 8.4% in 2028, 9.2% in 2038 and 10.4% in 2048.

Figure 18

Source: Alzheimer's Research UK



11.3 Age Group Analysis

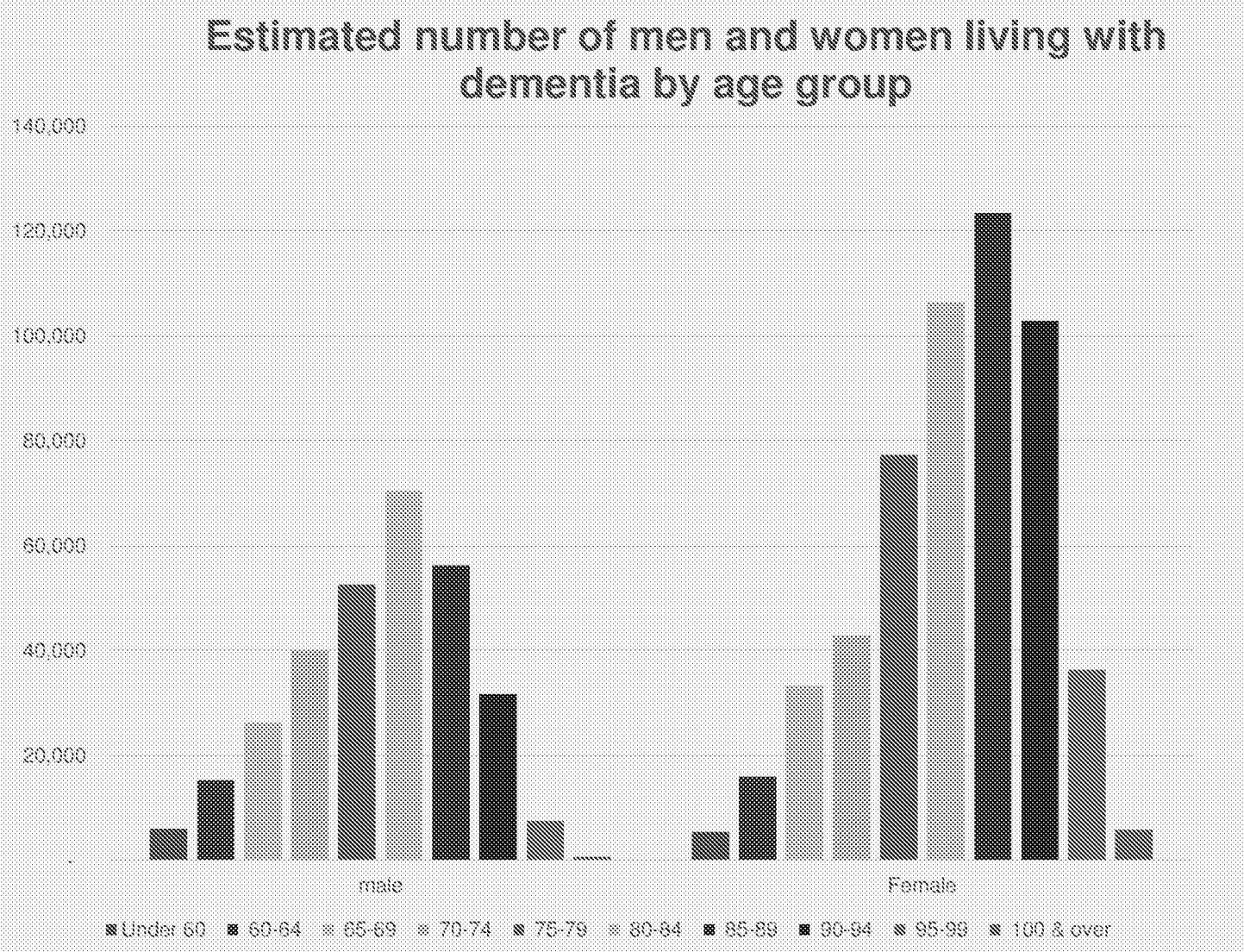
Figure 19 categorises the number of people living with dementia by age group, as well as highlighting the male and female differences.

It will come as no surprise that the dominant female age group with dementia is older than that of the male. This is because females have a higher life expectancy than males. As a result, the highest number of males with dementia are in the 80-84 age group, whereas the highest number of women with dementia are in the 85-89 age group.

As per Knight Frank's research, the average age of residents entering an elderly care home is 85. This is supported by Figure 19 as the graph highlights the dominant ages of people suffering from dementia are between 80-89 years old.

Figure 19

Source: Alzheimer's Research UK



11.4 Dementia Shortages

T.13 highlights the current supply of care homes with specialist dementia resources within the UK, Isle of Man and the Channel Islands.

Our sources have segregated the supply by region. On a national level, 71% of care homes in England specialise in dementia care.

For Savista Developments Limited's purposes, 67% of homes within the South East of England provide specialist dementia care, with 1,286 old age and specialist dementia homes out of 1,919 in the region. This shows that 33% of current homes within the South East of England region fall short of providing specialist dementia care.

Source: Tomorrow's Guides, Knight Frank Research

T.13 Region	Specialist Dementia Care Homes	Share of Homes
Channel Islands	13	28%
East Midlands	757	74%
East of England	845	76%
Isle of Man	7	29%
London	525	72%
North East England	434	79%
North West England	973	67%
Northern Ireland	188	57%
Scotland	448	58%
South East England	**1,286**	**67%**
South West England	923	66%
Wales	344	58%
West Midlands	815	74%
Yorkshire & The Humber	741	74%
Grand Total	**8,299**	**68%**
England Only	**7,299**	**71%**

12. TRADING PERFORMANCE
BY BED SIZE

PLANNING NEEDS ASSESSMENT NOVEMBER 2020

Roffey Place, Angmering, West Sussex, BN16 4PS

ARUN DISTRICT COUNCIL A/3/21/PL

12.1 Background

For the past seven years Knight Frank's Research team has reviewed the trading performance in the UK care home sector, supported by data kindly provided by leading care home operators. The Care Home Trading Performance Index (CHTPI) provides industry-leading benchmarks on various key performance indicators.

12.2 Methodology

Using our trading performance research database, we have benchmarked key performance indicators against bed bands. As part of this review, we have analysed the following seven key performance indicators:

- Occupancy %
- Average weekly fees (£)
- Income per occupied bed (£)
- Staff costs as a percentage of income
- Property costs per bed (£)
- EBITDARM (earnings before interest, taxes, depreciation, amortisation, rent and management fees) per occupied bed
- EBITDARM as a percentage of income

The dataset includes mature trading homes only and excludes any new homes that were introduced to the index within the 2018-19 financial year. Financial numbers have not been presented to ensure operator data remains confidential and for research purposes only.

The bed bands comprise 1-39, 40-59, 60-79, 80-99 and 100+.

12.3 Purpose

This exercise links trading performance with the care home sizes to identify which bed bands achieve the optimum trading performance. We have carried out this exercise by analysing the trading performance trends for the United Kingdom.

12.4 Summary

United Kingdom

When analysing elderly care homes within the United Kingdom, it is apparent that the lowest performing bed band is the 1-39 category as four out the seven key performance indicators were worse off than the other bed bands. This implies that smaller care home schemes are less efficient to operate when compared with the larger care homes.

The larger, 80-99 bed schemes present the strongest trading performance, with five out of seven key performance indicators ranking at the top. The research indicates lower staff costs as a percentage of income. The occupancy rate within this bed band is robust and slightly above the national average.

The 60-79 bed band is the second best performer with low staff costs of a percentage of income. The size of the care home enables economies of scale to be achieved and to remain sustainable. The proposed scheme will provide 74 beds in total which places it within the 60-79 bed band.

13. MODERN PURPOSE-BUILT DEVELOPMENTS

PLANNING NEEDS ASSESSMENT NOVEMBER 2020

Solent Place, Angmering, West Sussex BN16 4PS

ARUN DISTRICT COUNCIL A/3/21/PL

T.14

Bed Bands	No. of modern purpose-built elderly care homes since 2016	Percentage of the total
1-39 beds	19	5%
40-59 beds	44	12%
60-79 beds	224	60%
80-99 beds	75	20%
100+ beds	10	3%
Grand Total	**372**	**100%**

United Kingdom

We have carried out a review of all the modern purpose-built elderly care homes that have opened in the United Kingdom since 2016, as well as a separate review of the West Sussex county. This exercise highlights the percentage of homes that fall within their respective bed bands.

Within our research, we have identified 372 homes that have opened in the United Kingdom since 2016. We have excluded newly registered homes that comprise of converted stock, i.e. non purpose-built.

New care homes since 2016 comprising less than 40 beds only make up 5% of the stock.

A substantial 60% of new care home stock that opened since 2016 comprise 60-79 beds followed by 20% within the 80-99 bed band. This clearly highlights the need and appetite for care home operators and developers to move towards the 60+ bed market.

T.15

Bed Bands	No. of modern purpose-built elderly care homes since 2016	Percentage of the total
60-79 beds	5	83%
80-99 beds	1	17%
Grand Total	**6**	**100%**

West Sussex

When analysing new schemes in West Sussex, there have been new modern purpose-built developments in only two bed bands since 2016. The most popular bed band in West Sussex is the 60-79 bracket, making up 83% of all new developments. 1 new development in West Sussex since 2016 was found in the 80-99 bed band.

The 60-79 bed band is the most popular at a national level and within West Sussex since 2016, which is encouraging for the subject scheme.

14. CONCLUSION

ARUN DISTRICT COUNCIL A/3/21/PL

10 minute drive-time catchment area

T.16 Demand	2024	2029	5 Year Variance
Aged 65-74	58	66	8
Aged 75-84	296	323	27
Aged 85+	489	576	86
Total beds required	**843**	**964**	**121**

T.17 Supply	No. of Homes	Beds with En Suites (All)	Beds with En Suites (All) >30 bed care homes	Beds with En Suite Wet rooms
Personal Care	13	248	71	87
Nursing Care	8	415	389	228
Future Supply (Excluding Subject Scheme)	2	142	142	142
Total Supply	**23**	**805**	**602**	**457**

T.18 Gap	2024	2029
Gap – market standard beds *	**+38**	**+159**
Gap – market standard beds * (>30 bed care homes)	**+241**	**+362**
Gap – market standard beds * (with wet rooms)	**+386**	**+507**

Census 2011, LaingBuisson, A-Z Care Homes, CACI

* Bedrooms with en suite facilities

Gap showing a minus represents an over-supply and gap showing a positive represents an under-supply

14.1 Conclusion

Having reviewed the supply and demand position of the proposed development, we are able to provide final comments on the general provision of care within the selected catchment area of the subject care home site at Pound Place, Angmering, West Sussex BN16 4PP. Our view is provided using the following key considerations:

Proposed Scheme & Location

We are advised that Savista Developments Limited are proposing a modern purpose-built care home development on the 1.9 acre site. They have planning consent for a 64 bed care home scheme and would like to submit a revised planning application to incorporate 10 additional bedrooms. All bedrooms will comprise 100% en suite wet room provision.

The site appears to be very well suited to deliver a good quality care home scheme due to the site area and its regular shape. This will assist in providing an efficient layout and sufficient amenity space. It is also situated in an accessible location for potential visitors and staff and benefits from roadside frontage.

This places the subject scheme in a sustainable position.

Demographics

The elderly population within the selected catchment area is estimated to be well above the national average by 2024 and is projected to increase by a substantial 13% from 2024 to 2029.

As mentioned in the current supply section of this report, within the selected catchment area, there is only one modern purpose-built care home and only two homes with 100% en suite wet room provision. This study points to an insufficient number of future-proof care home schemes to meet the rapidly growing ageing population within this market.

Demand

The elderly population within the catchment area points to estimated demand for 843 beds by 2024, increasing to 964 beds by 2029.

Supply

With regard to existing supply, there are 13 personal care homes and eight nursing homes in total within the selected catchment area, comprising 663 market standard beds, of which only 315 include en suite wet rooms.

67% of existing care home properties are converted and there are only six homes with 60 or more registered beds within the selected catchment area. There are no personal care homes with 60+ beds. The study carried out in section 12 points to the appetite for larger care home developments in order to achieve operational efficiencies.

The shortfall of bed provision within the catchment area will still not be fulfilled with the two planned schemes (which are modern purpose-built, comprising 60+ beds with full en suite wet room provision).

Supply and demand position

If the existing provision remains the same and the planned schemes identified (excluding the subject scheme) are developed by 2029, the under-supply of market standard beds is estimated to increase to 159.

Moreover, when removing care homes with 30 or less beds, if the existing provision remains the same and the planned schemes (excluding the subject scheme) identified are developed by 2029, the under-supply of market standard beds is estimated to stand at 362.

Furthermore, when only considering en suite wet room beds, if the existing provision remains the same and the planned schemes identified (excluding the subject scheme) are developed by 2029, the under-supply of wet room market standard beds is estimated to increase to 507. This highlights the need for a number of modern purpose-built care home developments comprising 100% wet room provision within the selected catchment area.

In a post COVID-19 environment, the requirement for en suite wet rooms has accelerated even further as it allows residents to limit the use of shared assisted living bathrooms and improve infection control.

To conclude, a large under-supply of bed provision is established within the catchment area which would be mitigated, in part, by the development of the subject scheme.

General Market Comment

On a national level, Knight Frank Research predicts a shortfall of 108,936 market standard beds by 2024 and circa 6,500 homes are at risk of closure within the next five years due to the following challenges facing the sector:

- Ageing population
- A large proportion of existing care stock is converted and below 30 registered beds which may be unsuitable for current and future market requirements
- Operational challenges in regards to staff recruitment, retention and costs which will more greatly affect smaller care homes operating in older, converted buildings where sufficient fee increases are not obtained to compensate for the rising costs to run a home
- Increasing demand for dementia care
- The effect of COVID-19 in 2020.

Important Notice

The report has been prepared as a consultancy report on the behalf of Savista Developments Limited in relation to their planning application at the site located on Pound Place, Angmering, West Sussex BN16 4PP.

It must not be used for any other purpose. It must not be disclosed to any other parties except to the relevant planning authority. We are not advising on your planning application or providing any planning services. Savista Developments Limited agree that (and the report will be endorsed): "This report was prepared according to the information and instructions provided to us by Savista Developments Limited and is provided on a non-reliance basis. Knight Frank LLP (and our affiliates, members and employees) will have no responsibility or liability whatsoever in relation to the accuracy, reliability, currency, completeness or otherwise of its contents or as to any assumption made or as to any errors or for any loss or damage resulting from any use of or reference to the contents."

We have utilised a number of different resources to collate information existing and future care provision and trading performance data.

We have relied upon the information supplied by the data sources used and assume this information to be correct for the purposes of this consultancy report.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK, market activity is being impacted in all sectors. As at the time of writing this report, the increase in attrition rates within care homes, due to COVID-19, is having an impact on occupancy rates. Also, this event may increase the rate of care home closures within the UK even further. It is generally accepted that occupancy rates within care homes will normalise to pre-Covid-19 level by the time the subject scheme is developed and its commissioning phase has commenced.

APPENDIX

PLANNING NEEDS ASSESSMENT NOVEMBER 2020

Roffey Place, Angmering, West Sussex, BN16 4PS

List of Current Supply of Personal Care Homes

The home services shown below represent the following:
D = Dementia, SP = Specialist Services, MH = Mental Health, YA = Younger Adults.

T.19 Address	Group name, owner, private or voluntary	Care home service	Beds with En Suites (All)	Beds with En Suite Wet rooms	Purpose-built?	Distance in miles from subject site
Green Willow Residential Home 21/23 Vicarage Lane East Preston, Littlehampton BN16 2SP	Kew Care Group Private	SP	29	7	Y Older purpose-built	1.05
Greystoke Manor Church Lane Ferring Worthing BN12 5HR	Owned by an Individual Private	SP	25	18	N Purpose-built extension	1.38
White Lodge South Strand Angmering-on-Sea Littlehampton BN16 1PN	South Coast Nursing Homes Ltd Private	SP	30	25	N	1.45
Dean House 67 Sea Lane Angmering-on-Sea Littlehampton BN16 1NB	Owned by an Individual Private		25	12	N	1.47
Cornwell House 23/25 Beehive Lane Ferring Worthing BN12 5NN	Abbeyfield Ferring Society Ltd Voluntary/Charity		20	7	N	1.70

Source: A-Z Care Homes

List of Current Supply of Personal Care Homes

The home services shown below represent the following:
D = Dementia, SP = Specialist Services, MH = Mental Health, YA = Younger Adults.

T.19 Address	Group name, owner, private or voluntary	Care home service	Beds with En Suites (All)	Beds with En Suite Wet rooms	Purpose-built?	Distance in miles from subject site
Scotch Dyke 38 Beehive Lane Ferring Worthing BN12 5NR	Westermain Ltd Private		16	0	N	1.77
Kensington Lodge 53 Broadmark Lane Rustington Littlehampton BN16 2HJ	Apex Healthcare Private	D,MH,SP	15	0	N	1.86
Ashdown Lodge 2 Wendy Ridge North Lane Littlehampton BN16 3PJ	Ashdown Lodge Care Home Ltd Private	SP	4	2	N	2.00
Clapham Lodge Care Home Woodlands Close Clapham Village Worthing BN13 3XR	Clapham Village Care Ltd t/a Clapham Lodge Care Home Private	D,SP	23	10	N	2.05
Stanhope Lodge Poplar Road Durrington Worthing BN13 3EZ	West Sussex County Council Local Authority	D,SP,YA	3	0	N	2.36

Source: A-Z Care Homes

List of Current Supply of Personal Care Homes

The home services shown below represent the following:
D = Dementia, SP = Specialist Services, MH = Mental Health, YA = Younger Adults.

T.19 Address	Group name, owner, private or voluntary	Care home service	Beds with En Suites (All)	Beds with En Suite Wet rooms	Purpose-built?	Distance in miles from subject site
Oakland Grange St Floras Road Littlehampton BN17 6BB	Oaklands Littlehampton Ltd Private	D,SP	42	6	Y Older purpose-built	2.71
New Tyne Durrington Lane Durrington Worthing BN13 2TF	West Sussex County Council Local Authority	D,MH,SP,YA	0	0	N	2.75
The Heathers 162 - 164 Salvington Road Durrington Worthing BN13 2JU	Assured Care Services Ltd Private	D,SP	16	0	N	2.96

Source: A-Z Care Homes

List of Current Supply of Nursing Homes

The home services shown below represent the following:
D = Dementia, SP = Specialist Services, MH = Mental Health, YA = Younger Adults.

T.20 Address	Group name, owner, private or voluntary	Care home service	Beds with En Suites (All)	Beds with En Suite Wet rooms	Purpose-built?	Distance in miles from subject site
Darlington Court The Leas, Off Station Road Rustington Littlehampton BN16 3SE	Care UK Private	D,SP	51	14	Y Older purpose-built	0.85
The Martlets Fairlands East Preston Littlehampton BN16 1HS	Shaw Healthcare Private	D,SP	80	80	Y Purpose-built (2009)	1.08
Rustington Hall Station Road Rustington Littlehampton BN16 3AY	Littlehampton Rustington Housing Society Voluntary/Charity	D,SP	62	36	N Purpose-built extension	1.20
Fairlight Nursing Home 121 Worthing Road Rustington Littlehampton BN16 3LX	Forever Care Ltd Private	D,SP	62	14	Y Older purpose-built	1.58
Haviland House 20a Robin Road Goring-by-Sea Worthing BN12 6FE	Guild Care Voluntary/Charity	D,MH,SP	67	67	Y Modern purpose-built	1.99

Source: A-Z Care Homes

List of Current Supply of Nursing Homes

The home services shown below represent the following:
D = Dementia, SP = Specialist Services, MH = Mental Health, YA = Younger Adults.

T.20 Address	Group name, owner, private or voluntary	Care home service	Beds with En Suites (All)	Beds with En Suite Wet rooms	Purpose-built?	Distance in miles from subject site
Fulford Care and Nursing Home East Street Littlehampton BN17 6AJ	Agincare Homes Holdings Ltd Private	D,MH,SP,YA	67	0	Y Older purpose-built	2.69
Country Lodge Nursing Home Cote Street High Salvington Worthing BN13 3EX	Country Living Care Group Private	SP	17	11	N	2.78
Longacre Nursing Home 12/14 Chute Way High Salvington Worthing BN13 3EA	Owned by an Individual Private	SP	9	6	N	3.18

Source: A-Z Care Homes

Knight Frank

Prepared on behalf of:
Savista Developments Limited

Care Home Site:
Poplar Place, Ansteadbrook, West Sussex, GU33 6PP

Prepared by: Knight Frank LLP, 55 [redacted]



PLANNING NEEDS ASSESSMENT

NOVEMBER 2020

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