

Vital Balance Limited

Hasland Road, Chesterfield, Derbyshire, S410RZ Telephone & Fax: 01709 375311
E Mail: accounts@devonshirecare.co.uk

Giles Village
Keebles

12 December 2019

I have just forwarded to you the supporting financial statement that was used at the original committee meeting where the planning permissions for the extension to the Care Home and planning permission for 14 houses subject to the 106 agreement were signed.

I will summarise the past three years as follows;

After gaining the above permissions the architect started working on the conditions and an agent was appointed to sell the land.

After some considerable time, an offer was accepted on the land at £630,000 and the 106 agreement was finalised with Derbyshire council.

This was then sent to my bank Santander for them to sign and I was then informed that they refused to sign it due to;

1. The complexity of the deal
2. The land sale would not cover all the costs of the extension and essential works
3. Santander's shift in lending policy to no longer supporting small care homes and only supporting large new build organisation

Following this I went through the agent Chandler & Co. with regard to refinancing, however this has been a challenge due to all the uncertainties regarding Brexit and the economy and other banks adopting a similar role to Santander and switching to lending for purpose built care homes.

We have got an offer which expires on the 11th January 2020 which is conditional on the land having the planning permission.

Whilst organising this bank, the architects have been finalising the planning permissions and LBC conditions as I was mindful that these were time sensitive and commencement had to start on the 25th November 2019

Naively I didn't realise that the planning permission subject to the 106 agreement on the land was time sensitive and had presumed that with it being an enabling condition for the extension and improvement to Bank Close House

The needs for the planning permission are exactly the same as of three years ago and the required improvements and renovation of the House cannot be completed without it.

The current status at Bank Close house is;

1. Viability – we have managed to maintain an occupancy of 20+ over the last three years which has resulted in a break even or small profit position but we are finding it more difficult to fill shared rooms and other rooms that are compromised in size and accessibility

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2. Care Quality Commission – we have been supported by CQC based on the future plans and improvement of which they have visibility but this possibly cannot continue. A few concerns are;
 - a. Main house first floor; two bedrooms are too small and too narrow
 - b. Stable block; four bedrooms only accessible via staircase and stair lift
 - c. Stable block; a further four bedrooms only accessible via long walkway and four fire doors that require opening whilst transporting residents.
 - d. Stable Block; accessibility is almost impossible for wheelchairs.
 - e. Front door has no Wheelchair access, residents have to be admitted via garden and back door.
 - f. Existing Conservatory is no longer fit for purpose due to climate control re glass roof.

The original statement contains further detail to the above.

The continuing support of the CQC is critical to the ongoing viability of this care home and may not continue without the require compliance issues addressing which they would be with the above changes.

The refinancing deal that we have obtained cannot go ahead without it and we are already aware that our current bank Santander is monitoring the stalemate position re its ongoing support.

With all this in mind I would like to suggest the following;

That you continue with getting the 106 agreement agreed in principle subject to committee approval and signed by all parties to allow this to be a condition of the loan with a completion date of Friday 10th January 2020.

Regards

Peter Hill