

# Woodchester Valley Village

GLOUCESTERSHIRE



# What is this discussion is about?

- How the mutual village came to be
- Issue of sustainable management
- Meeting the needs of retired people

Design

Assurance

Companionship

Cost









Founded 22<sup>nd</sup> OCTOBER 2013

Our mutual village







# History

- Industrial site as far back as 17<sup>th</sup> century
- Private developer
- Opened 2002 completed 2004
- Phased development

Care Home

Assisted Living

Independent Living

24 bed care home, 20 assisted, 32 independent

Became

**32 assisted and 32 independent**

# 2008 Economic Downturn

## 1. Other retirement developments

all financed by loans from varying Banks so over 30 inter linked companies

## 2. Slow collapse of the group

## 3. In 2010 it was this village's turn

## 4. Circled by buyers

## 5. Leaseholder families not able to sell

half properties empty

# **55 LEASEHOLDERS PAID FOR IT AND 4 CHOOSE NOT TO**

- **PAID LEGAL COSTS** c.£100,000, over £2,000 each
- **GAVE** £3,000 each to FreeCo
- **LENT** on average, interest free, c £15,000 each, which raised some £750,000



# CONTRACT COMMITMENT

Upgrade Inchbrook Court

Landscape banks, etc

# Not enough

Terms of lease required Freeholder to buy back properties if Leaseholder requested

or

IF SOLD PRIVATELY

Freeholder got 10% of sale proceeds



To cover buy-back  
required £14,000,000 reserves

Solution – a contract change to remove buy  
back

but would have to be voluntary

GIVE UP SELL BACK RIGHTS FOR CUT IN  
TRANSFER FEE FROM 10 TO 1 PERCENT

# OF THE 72 PROPERTIES

- Administrator held 13
- 59 had private leaseholders
- Of the 59, 55 voluntarily agreed the contract change, leaving just 4 with buy-back rights and
- Those with the administrator were automatically accepted the new contract



**That cut the need for held  
funds from £14m to  
£750,000**

So over 30 families lent us additionally

**about £25,000 each at 6.6% interest**

(range was £1,000 to £120,000)

and that raised the extra **£750,000**

# DEAD MONEY!

- It covered the sell back rights of the 4 who chose not to join in
- So this money is sitting in the bank, not earning much, to await their pleasure







# SUSTAINABLE MANAGEMENT

The problems of every mutual  
organisation

- a. Volunteers growing older
- b. Leaseholders adverse to paying  
people well to manage well

and

we encountered two extra little  
problems



1. Finding professionals who could manage our kind of village
2. Pensions and living wage legislation - up to 40% extra costs over 4 years

# Needs of retired people

- To be near to their family  
especially grandchildren
- Companionship  
retired like them/interests
- Support  
from children/ paid helpers
- Suitable Housing  
adaptions get ripped out





# Big obstacles

- I am OK now – failure to think forward
- I cannot afford the support costs – Can be a saving on running current home
- My family will make the right decisions when the time comes – distressing twilight period
- I am too old to move – leaving it too late
- Lack of appeal of what is offered - retirement villages and services not designed for transitional use from 67 to 97.