



Five trends for care in 2037

Presented by Lex Cumber,
Business Development Director



What are we setting out to do?

- Explore ideas about what the future of care might look like, long term
- In a way which amuses, provokes and involves you
- So that we can start thinking expansively and ‘sow some seeds’

Who is Castleoak?

- We're market specialists
- Customers value our advice - we share ideas and expertise
- 92% of current projects are from returning customers
- Reputation is our currency



What we do

- Land sourcing and acquisition
- Project feasibility
- Demographic and care gap analysis
- Planning management
- Specialist design & build
- Funding
- In-house manufacturing
- Aftercare



Where do we do it

Assisted living and care home projects 2010 to 2017

- Care homes
- Assisted living
- Retirement living
- Care homes
- Specialist care

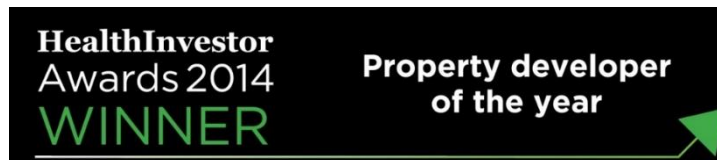
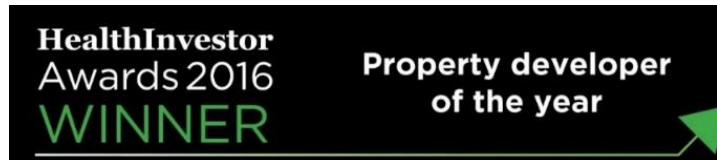
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- Castleoak projects
2010 - 2017
 - Current projects
on site

Sector specialists

- 30 years' exclusively in the care and retirement living sector
- Reputation & partnering led business
- Award winning



Winner, best dementia care home, 2015



Ivor Goodsite, Considerate Constructors Community Awards, Finalist 2015



Structural Timber Frame Awards Best Healthcare Project Finalist 2015, 2016 & 2017

An advocate for our sector

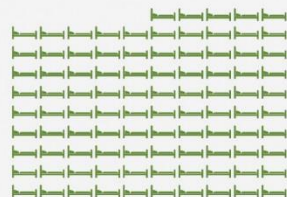
- Committed to improving standards for retirement living & care accommodation
- Working with key professional bodies
- Instrumental in setting up of Your Care Rating



Our track record



150
Care homes



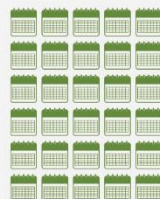
9,500
Care beds



1,500
Retirement & Assisted
Living apartments



£70 million
turnover



Established
30 years



160
colleagues

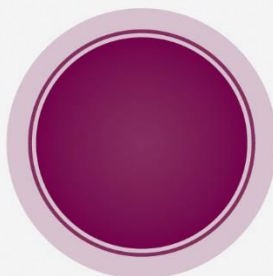


UK-wide project reach,
with a southern focus



74%
of customers return to
commission new projects

Customer loyalty figures from
projects 2000 to 2014.



92%
of current projects in December 2016
are from returning customers

Some of our customers



20 years is a long time... think back to 1997

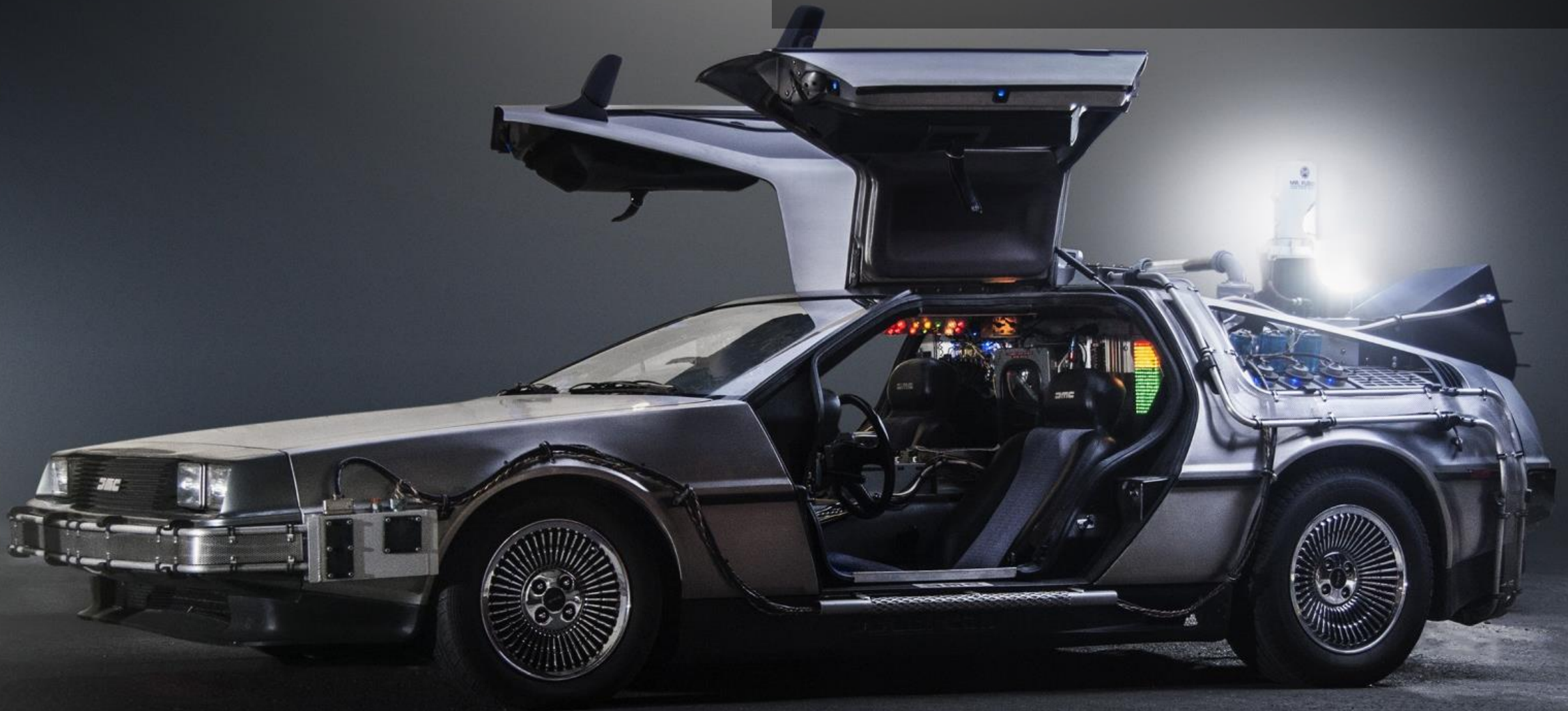


Courtesy of www.bbc.co.uk

In 1997

| | 1997 | 2017 |
|--|--------------|-------------|
| • UK population owning a mobile phone | 16% | 93% |
| • Google searches per second | NA | 40,000 |
| • UK population with internet access at home | 7.4% | 81% |
| • UK population over 75+ | 3.75 million | 4.9 million |

Let's think forward to 2037...



(Courtesy of JMortonPhoto.com & OtoGodfrey.com)

Who will we be building for



Baby boomers

2017

Baby boomers: Born between 1946 and 1964

Change the world

Generationally wealthy

Eternal youth

Pensions

Generation X

2037

Generation X: born between 1961 and 1981

Don't count on it
Take care of yourself
Pension shortfall
Worn out





2037 has a
different
demographic
landscape

A different demographic landscape

- UK population is bigger – 74.3 million
- Probably more diverse?
- A more solitary population?
- Life expectancy is now 85 years old
- 9.9 million people are 75+ years old

It's a different political/policy context

Predictions

- The 'NHCS' is substantially reformed
- Social care in the UK has adopted the 'US model'?
- Populism dominates political discourse?
- Inter-generational friction is expressed through politics?
- The North/South divide has widened?

What are the trends?



Trend 1: The retail approach



Payments

Cash Credit Cards Gift Cards Misc Pay

Exact Cash \$5 \$10 \$20 \$30 \$100

Finalize Capture CC Send/Save Sell Gift Certificate

Check Out Edit Tips

3:58 PM

Check \$14.37 \$16.17

Guests

Breakfast Brunch Starters & Rotisserie Flatbread & Specials Sandwich Salad Bowls Soup Market Plates & Sides Dessert Pastry Flowers Hot Drinks Cold Drinks

Void Send/Save Payments Functions Discounts Modify

Check Print Delete Repeat Split

Redeem G/C Activate Gift Card Increment Gift Card Check G/C Balance

Transfer Void Misc

HOME

Trend 1: The retail approach

- A more retail / itemised approach to pricing
- Cross subsidy from self-funders?
- Bigger / mixed higher volume schemes
- AL / Care / hospital approach – for financial efficiency
- More choice and more competition, more pressure

Trend 1: The retail approach

- Exceptional AL and Care will be about personalisation
- It's about the customer experience / transparency
- Perhaps we should look to the cruise ship sector for the model?
- Regulation will change the legislative environment
- Greater competition will drive innovation
- USPs will emerge

Your thoughts?



Trend 2: Intergenerational living



Trend 2: Intergenerational living

- We cannot build enough Care / AL developments to match demographic demand!
- Affordability drives interdependence between generations
- The IG living model is standardised and adopted
- The state will actively support and promote this
- This model will become universally accepted

Trend 2: Intergenerational living

- 10% of over 70s currently live with adult offspring in the UK (ONS data)
- Home sharing / co-housing will become more prevalent
- 31% of all UK housing is owned by the 65+ age group
- Deghettoisation of Care / AL will be a competitive advantage / USP
- It's a solution for some

Your thoughts?



Trend 3: The march of technology



Trend 3: Technology

- Not replacing human support but enhancing
- Automation aimed at improving quality of life
- Improved well-being & entertainment through VR?
- VR is a therapeutic tool



Trend 3: Technology

“Accenture has developed a technology platform that uses – Streaming analytics, contextual awareness and machine learning. Accenture are assisting XXX through ‘experience genomics’ which will enable XXX to provide each guest with the best customer experience by anticipating preferences. This system ensures that the right staff are available at the right place at the right time.”

Your thoughts?



Trend 4: Vertical integration



Trend 4: Vertical integration

- The lines between 'care' models are being blurred
- Specialist expertise is a key component of integration
- At present loosely coupled systems are facing increasing difficulties
- Defragmentation of the 'sector' is essential
- It's about fundamentally changing the business model

Trend 4: Vertical integration

- Health and well-being services
- Social Care
- Mental health
- Public health
- Third sector
- It's the 'super' providers that will thrive
- Reinvention of the welfare state as we know it!

Your thoughts?



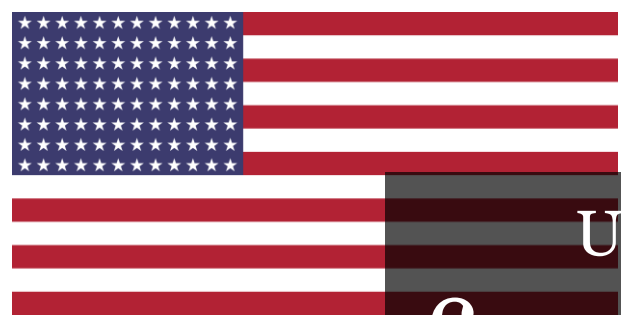
Trend 5: Off-shoring care



Trend 5: Off-shoring care

- The UK is expensive
- By 2037 the average UK care bed will cost approx. £42,192 per annum
- That equivalent buying power in India is approx. £122,356 per annum
- Modern technology shortens the distance / Generation X is more open to the idea
- This concept will achieve a tipping point in the next 2 decades
- This will require international agreement

Trend 5: Hip replacement cost 2017



US

£22,400



UK

£12,000



India

£5,760



Thailand

£13,000



Singapore

£9,600

Your thoughts?



Conclusion

- The social care landscape will, by definition, be radically different in 2037
- Technology will empower and enable but not solve the problem of supply and demand
- New integrated business models must be developed
- We must resist the market forces that promote polarisation by innovating
- You are an intelligent and remarkably good looking audience

Thank you



Question
time



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