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INTELLIGENCE + INSIGHT

# WEBINAR

# Growing with Children's Services

In partnership with



INTELLIGENCE + INSIGHT

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# Live polling with **slido**

☰ Active poll

**LaingBuisson**  
INTELLIGENCE + INSIGHT

What is the greatest challenge for Children's Services to grow? 0 3 6

Funding competition 50%

Staff fatigue 39%

Covid 6%

New admissions 6%

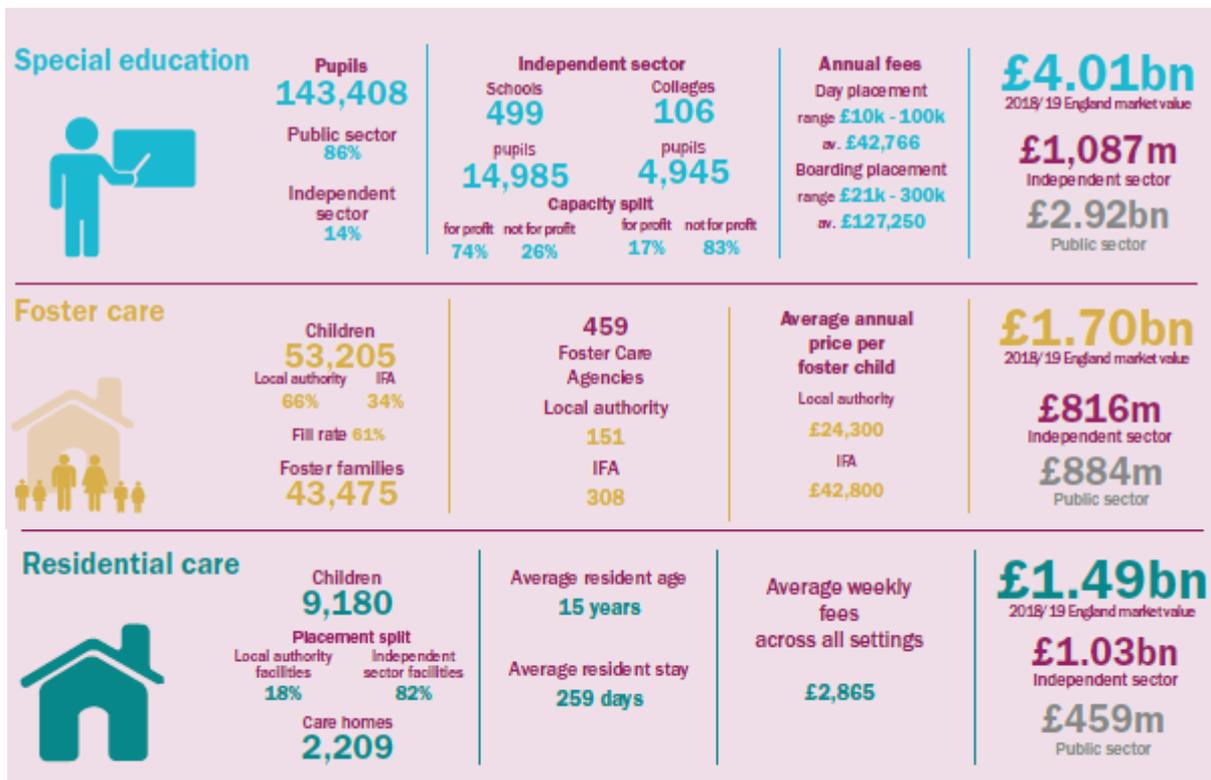
Join at  
**slido.com**  
**#children**

# Live Q&A with **slido**



# A large fragmented market



# A large fragmented market



## Special education (England only)

Top ten independent schools/colleges  
ranked by pupil capacity

	<i>Places</i>	<i>Schools/ Colleges</i>	<b>18%</b>
Priory	1,343	27	
CareTech (inc. Cambian)	1,281	37	
NFA (Acom Care and Education)	1,238	19	
Witherslack	989	18	
Aurora	706	11	
Kedleston	670	11	
Outcomes First	573	11	
Keys	546	19	
Cavendish Education	534	5	
Gard'ner Memorial Trust	470	1	



## Fostering

Top ten independent foster agencies  
ranked by foster placements

NFA (Acom Care and Education)	4,650	<b>42%</b>
Core Assets	2,400	
Partnerships in Children's Services	1,125	
BSN Social Care	850-875	
CareTech (inc. Cambian)	850-875	
Capstone Foster Care	750	
Compass Fostering	750	
SWIS	750	
TACT (nfp)	600	
Sunbeam Fostering	350	



## Residential care

Top ten independent providers  
ranked by children's homes

CareTech (inc. Cambian) 220-225	<b>23%</b>
Keys 110-120	
Priory 95	
Horizon Care and Education 42	
Pebbles 42	
Outcomes First 36	
Hexagon Care 32	
Care Today 32	
Care Visions 30	
Bryn Melyn 30	

# Market Report



# Growing with Children's Services

## OPERATORS



Paul Callander  
CEO  
Horizon Care &  
Education



Sandie Foxall-Smith  
Chair  
Compass Community

## INVESTOR



Iain Marlow  
Director  
Ardenton Capital

## LENDER



Jamie Stuart  
Senior Director  
Clydesdale & Yorkshire Bank

Submit your questions at [sli.do](https://sli.do) - Event code: **children**

In partnership with



# Paul Callander

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CEO

Horizon Care & Education

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# Horizon Values



## Integrity

We work in an open and ethical way, mindful of the impact we have on others and our environment



## Compassion

We are kind and respectful when interacting with others and acknowledge humanity

## Inclusion

We embrace diversity and collaboration involving others in matters of mutual concern



## Quality

We are responsible and flexible, always striving for best practice and positive outcomes



## Innovation

We are open to new ideas and are creative in identifying better ways of doing things



## Accountability

We strive for measurable results and take responsibility for our actions

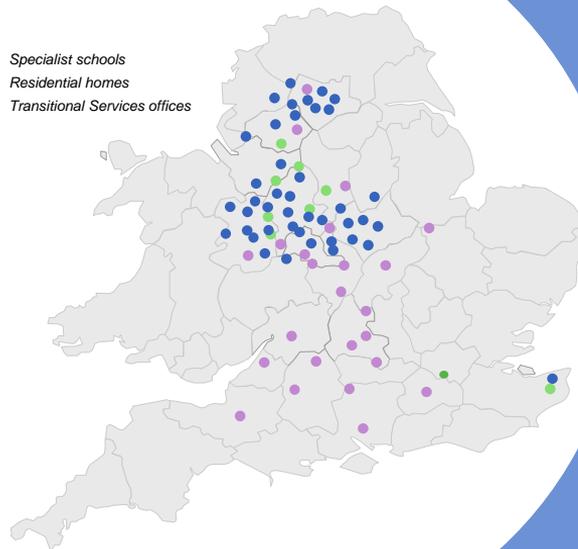
*putting children and young people first in everything we do*



## Horizon at a glance



- Specialist schools
- Residential homes
- Transitional Services offices



50

Residential homes

17

Schools<sup>1</sup>

c.380

TS flats

>900

CYP

Note: (1) 9 DfE registered schools across 15 sites (2) Education

putting children and young  
people first in everything we do



## Market Overview



- 1 Increasing number of LAC with high acuity driving demand for CYP services ✓
- 2 Protected public funding with statutory LA obligation to provide appropriate care ✓
- 3 Large addressable market with continuing shift towards independent provision ✓
- 4 Fragmented competitive landscape but with high barriers to entry ✓
- 5 Fast growing Transitional Services market driven by policy initiatives ✓

putting children and young people first in everything we do



# Sandie Foxall-Smith

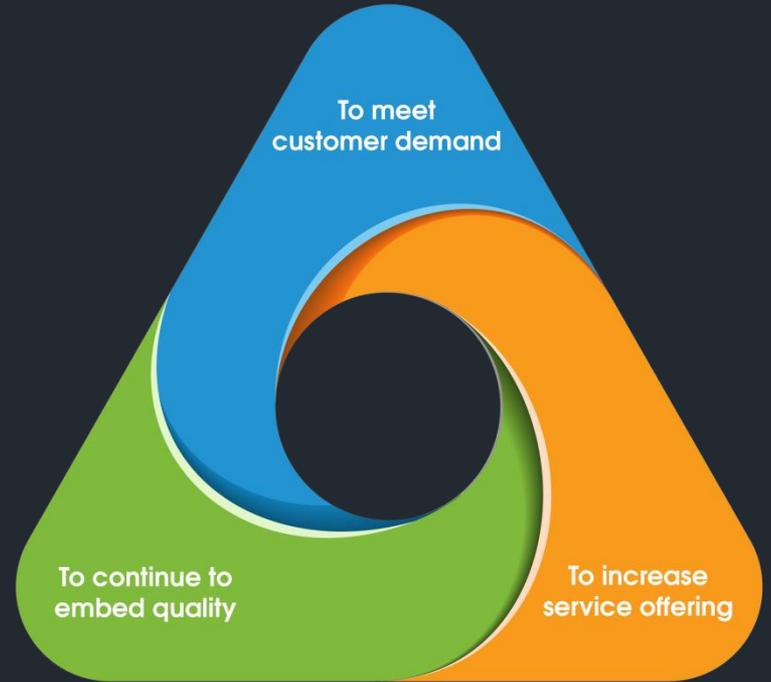
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Chair  
Compass Community

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# Compass Community



# Senior Leadership Team



**Sandie Foxall-Smith**  
Chair



**Bernie Gibson**  
CEO



**Jamie Wright**  
CFO

**Compass Community led by a Senior Leadership with deep  
sector experience and knowledge**

# Compass Community

Compass Community are a Children's Service providing Fostering, Residential and Education services with a bespoke therapeutic approach.



## Mission

To be the preferred children's service provider; renowned for an optimistic & pragmatic approach, where it is believed change is possible.

## Vision

Providing child-centered services that make a lasting and life long difference to vulnerable children's lives.

## Aim

### Meet Customer Demand

Recruit & retain skilled & high quality staff / carers who meet the needs of complex and vulnerable children.

### Increase Service Offering

Underpinned by differentiated therapeutic approaches and education support.

### Quality Continues to be Embedded

Quality ratings above peer ratings: judged by the inspectorate as "Good" or "Outstanding".

# Key Differentiators



## Embedded focus on quality

Quality ratings remain strong  
Rigorous assurance processes and training  
Proven ratings on acquisition



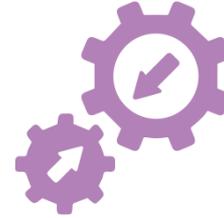
## Differentiated therapeutic approach

Specialised services in fostering, residential and education  
Serves children displaying the most complex needs  
Training for carers and staff underpinned by a positive psychology framework



## Best-in-class carer recruitment

Strong digital marketing strategy  
293% increase in carers approved from 15/16 to 19/20



## Strength of integration

Platform asset operation under national brand.  
Robust governance underpins cohesiveness  
Bespoke IT systems ensure uniformity and quality services



## Successful acquisition track record pipeline

Established history of sourcing and executing acquisitions  
Current nationwide pipeline of targets  
Recent appointment of dedicated specialist

# Excellent Position

Demand is driven by an increasing Looked After Child population, with demand set to increase further due to COVID 19 - especially since the social care sector, including Compass, have proven to be highly resilient to the impact of the pandemic.

Working in partnership with Local Authorities to provide specialist, high acuity placements within Therapeutic Communities - leading to improved outcomes for children, improved staff recruitment and retention and in turn stability and opportunities to scale the service.

The realisation of an effective strategy underpinned by strong operational performance has translated in to an exceptional financial position for Compass; with the group being set to:

- double EBITDA in this investment period
- double the capacity for our Residential and Education services
- continue to drive the growth of the fostering service underpinned by our industry leading carer recruitment strategy

# Iain Marlow

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Director  
Ardenton Capital

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# Ardenton

Partnering for Growth. Sharing Success.

- Global corporate investor headquartered in Vancouver, Canada
- Long term investment model with no intention to divest
- Partnership model with management teams to create long term sustainable growth
- Opened UK office in 2016
- Target investments in 5 core asset classes: Health & Social Care, Food, Technology & Communications, Consumer Products, Business Solutions





## Pebbles

Nurture. Develop. Flourish



- Provider of care of vulnerable and challenging looked after children
  - 44 homes caring for 105 children aged 10 - 18
  - Specialise in small 1 – 3 bed homes
  - Homes based in Northern England and Scotland
- 
- Ardenton acquired majority stake in November 2019
  - Appointed Michael Walsh as CEO to strengthen exec leadership team
  - Significant goals:
    - Expand offering to include wider age range including mother and baby
    - Improve overall home ratings
    - Double capacity by 2025

<https://pebblescure.com/>

# Jamie Stuart

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Senior Director  
CYBG

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# Who we are

- Experienced **specialist team of 21** with a proven presence and profile across the UK market
- Offering **funding and expertise** that delivers a real and positive impact for the health and social care sector
- Growing track record of customer acquisition and retention through **dedicated specialist relationship management**
- Increasing customer numbers in **early years, residential childcare/education and foster care**
- Expansion of existing PE and non-sponsored leverage lending



# Why our interest?

- Health & Social Care sector has shown remarkable resilience throughout the pandemic
- Specialist care sub-sectors have been largely financially unscathed.
- Attractions of this sub-sector for funders include:
  - Strong, growing demand
  - Lack of supply
  - Statutory duty to fund
  - Fragmented market
  - Less capital intensive





## Where is the sector heading?

- Importance of strong management teams
- Predicted continued investment attraction to specialist care in the UK due to the drivers that existed pre Covid19 and remain.
- Ongoing demand for appropriate settings for non-institutional children's care in the community
- Ongoing shortage of placement options
- Increase in demand exacerbated by Covid-19
- Placement funding ? Prevention / early intervention ?

# Thank you to our partners

Content



Media



Charity

