

## A caring partnership that delivers

The Springfield Healthcare Group is about to launch its latest home on the site of the former Terry's chocolate factory, with support from BGF. Mark Casci spoke to Richard Taylor of BGF and Springfield's Graeme Lee about their journey together.



Home comforts: Graeme Lee of Springfield Healthcare and Richard Taylor of BGF in The Chocolate Works Care Village, York.

### Springfield CEO, Graeme says...

I first got to know BGF in 2010. I had been working in the care sector for 16 years when I came across a site in Seacrot, East Leeds. I felt it would be the ideal site to deliver an exciting, innovative care facility in the heart of a community where there was an acute need for health and social care provision.

Seacrot Grange was a beautiful listed building that had been derelict for over 20 years and needed a complete refurbishment – but I knew it had the potential to become the centrepiece of the care village development.

I managed to buy the site with my own money and with help from my colleague Kim Malcolm, and we secured planning permission to build the 95-bed care village. However, all of this was back in 2010/11, at the heart of the recession. The £5m cost to develop the site couldn't be funded by bank debt only and so we started to look at other funding options to bridge this gap – and that's when I came across BGF.

I'd turned down a few offers from private equity houses because at that point the offers didn't feel like the right fit.

But BGF were confident in my growth plan. Other people I spoke to wanted to push the business harder but BGF never once said "we think you can be more aggressive".

They just said "we like this plan we'll support it". That was very refreshing.

When I had my first dinner with BGF I was very clear that I didn't

just want to build care homes. I wanted to build special facilities in areas where there was a real need and create fantastic environments in the heart of the community.

The focus was all about quality not quantity because we wanted to make a difference to people's lives.

I have worked in care homes for much of my life. I've learned that older people are so interesting, but they can also be vulnerable. Providing them with the very best care and environment has always been my priority. Our latest development, the renovation of the old Terry's Chocolate site, has been a massive project.

We've had so much support from the local community. At our open day, more than 500 people came to visit and have a look around the facilities.

What I like about Richard and BGF is that they've never tried to change our business model.

For me, when it came to getting investment, keeping a majority stake was important. We have maintained control of our own business. I think that's something that matters a lot to most entrepreneurs.

I think Richard and his team have helped professionalise the business too. BGF has credibility, and that has been proven over the last five years.

When we're looking to buy sites, their backing brings an extra layer of comfort to the external parties we deal with.

I have been able to buy three sites since BGF first invested, and every time they've put their hands in their pockets and supported us with additional funding.

They are also honest people. They have a reputation as being trustworthy, and everyone I have met in BGF has been very honourable. That's so important when you are on a journey like this.

### BGF Investor, Richard says...

We first invested in Springfield in June 2012. The initial project we funded was The Grange in Seacrot, which was a proposition put together by Graeme.

It was pretty ambitious – an old school derelict building that was in peril. Graeme brought the idea to BGF and it looked like a fantastic opportunity.

At that time, we were new to the market in Yorkshire. Our number one priority was to help Graeme complete his first care village and our thought process was "if there are other opportunities we would look at them and be open minded to fund them".

Fundamentally, we liked what Graeme wanted to achieve – stunning developments in which elderly people, often with challenging conditions such as dementia, could live within thriving communities and be provided the best care.

Graeme had the vision and we supported it. Since then we have been backing Springfield's track record and the management team.

Springfield has a phased plan and is effectively building a group which will have 650 beds and 700 plus staff. We've been able to stay with Springfield throughout its growth.

The advantage that BGF has is we are still putting additional funding in to develop these roll-

outs.

We have been invested in this business for over five years. That is probably beyond the point where private equity would want to have crystallised a return.

We see this as very much an open-ended arrangement.

Graeme always has a passion for his business and that comes across as soon as you meet him. His enthusiasm was a key factor in backing him in the first place.

At BGF we don't take control of businesses and we don't force change. Our role is to work with management teams. But we need to see they are open to our suggestions and to our support. Graeme runs the business but he's always been open about getting the most out of the relationship with BGF.

With any investment proposition, it's the people we're backing first and foremost. The development at Terry's speaks for the quality and ambition of Graeme and his team.

We came into this thinking we were just funding one site but Springfield is now a group of care homes. Flexibility, on both sides, has been a constant throughout the relationship.

The vision, the people and the sector – when you put that all together, it's a great recipe.

**BGF is the most active investor in small and mid-sized businesses in the UK and Ireland. An established and independent company, we have £2.5bn to support a range of growing companies – early stage, growth stage and quoted – across every region and sector of the economy.**