

Overview & Scrutiny Committee

Tuesday 11 November 2025
6.30 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London
SE1 2QH

Supplemental Agenda No.1

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5.	Scrutiny Call-in: Asylum Road Care Home	1 - 9
	Enclosed is the cabinet response to the Health and Social Care Scrutiny Commission report on the Nursing Care Home Delivery (Cabinet report – 16 September 2025). The response is referenced in the 14 October cabinet report (paragraph 11) - Exploring alternative options to deliver a care home with council-funded bedspaces. The response is being circulated with the agenda for ease of reference.	

Contact

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Date: 7 November 2025

Meeting Name:	Cabinet
Date:	16 September 2025
Report title:	Response to the Health and Social Care Scrutiny Commission: Nursing Care Home Delivery Scrutiny Review report
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	Nunhead and Queens Road
Classification:	Open
Reason for lateness (if applicable):	Not applicable

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

I want to thank the Health and Social Care Scrutiny Commission for their thorough work and engagement on our plans to facilitate the delivery of a further Nursing Home in the borough. The Council shares their commitment to expanding provision in response to the needs assessment undertaken by Adult Social Care, and to securing excellent quality of care for residents, exemplified by our Southwark Residential Care Charter. Over recent years, we have enabled the delivery of a new nursing home in Camberwell and we also now own Tower Bridge Nursing Home, having invested significant capital expenditure in its purchase. Our wider work on Older People's Housing is helping us set strategic direction for the future, taking account of flexi-care options and the exceptional alms-house provision that we benefit from in Southwark. Whilst we do not currently have any additional capital available to invest in an additional Nursing Home, we have been seeking to make the most of suitable council land at Asylum Road in Peckham, and to explore what could be delivered here in partnership with reputable providers. We have not wanted to be too prescriptive, hence pursuing a land transaction rather than a procurement, but I am confident that all options have been explored and explained, and that this route will offer the council and our residents the best outcome given the available resources.

RECOMMENDATIONS

Recommendation for Cabinet

1. That the Cabinet thanks the Health and Social Care Scrutiny Commission (HSCSC) for its work on the *Nursing Care Home Delivery Scrutiny Review Report*.
2. That the Cabinet approves the officer response to the recommendations within the *Nursing Care Home Delivery Scrutiny Review Report*, as set out in the 'Key

issues for consideration' section of this report.

REASONS FOR RECOMMENDATION

3. The reasons for this recommendation are set out under the Key Considerations section of the report. Each of the five HSCSC recommendations is addressed separately.
4. The five HSCSC recommendations were presented to Cabinet on 17 June 2025, Agenda item 26, Appendix 1: *Nursing Care Home Delivery Scrutiny Review Report, dated May 2025*, p. 9 (see Background Papers).

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

5. None – the council's constitution requires that a response to scrutiny recommendations is made to the Cabinet.

POST DECISION IMPLEMENTATION

6. Post decision implementation would be as follows:

Key Activity	Target completion date
Continue with the current land transaction	ongoing
Briefing paper to HSCSC regarding the bid outcome	September 2025
Seek Cabinet approval for the land transaction outcome. (This report will include the relevant timeline details.)	October 2025

BACKGROUND INFORMATION

7. **Update Paper regarding Asylum Road Nursing home, submitted to HSCSC April 2025** (see Background Papers): This report sets out the approach and rationale to deliver a care home by means of a land-transaction and that this process has commenced. The paper includes consideration of other delivery models and why these were discounted.
8. **Cabinet Agenda Pack, June 2025, Agenda item 26, Appendix 1** (see Background Papers): The report by the HSCSC sets out acknowledgement of the update paper (at paragraph 7) but that the Commission is not convinced and requests further review of delivery options, by way of a Gateway 0, for the consideration of the Cabinet; the HSCSC report provides five recommendations to the Cabinet.
9. Other relevant reports, by way of background information, are:
 - **128-148 Asylum Road site, IDM report, April 2024** (see Background Papers): This report identifies the Asylum Road as a suitable location for a new nursing home and why.
 - **Adult Social Care Needs Assessment report, August 2024** (see Appendix 1): This report sets out the care demand in the borough, concluding that there is significant demand for care home bedspaces, which is anticipated to rise as the population continues to age and health needs become more complex.

KEY ISSUES FOR CONSIDERATION

COMMISSION'S RECOMMENDATION 1 TO CABINET	
RESPONSE TO RECOMMENDATION 1	
	<p>1. That a Gateway 0 options appraisal report be produced for Cabinet to ensure a more thorough process is followed, and that all the delivery options are fully considered.</p> <p>RESPONSE TO RECOMMENDATION 1</p> <p>1. A Gateway 0 options appraisal report, in this instance, would not enable all the delivery options to be more fully considered. The council has no further capital funding for another nursing home and therefore options, such as direct delivery, or part-funding through a partnership arrangement, are not available.</p> <p>The capital budget allocated in 2022 for the delivery of a new Nursing Home in line with the Council Delivery Plan (CDP) 2022-26 commitments, has now been expended with the acquisition of Tower Bridge Nursing Home (TBNH). This acquisition used up most of the monies and the remainder was expended over the course of 2024 for necessary upgrades to the building.</p> <p>Accordingly, the council has progressed with a land transaction approach, as both a suitable route for delivery of a care home.</p> <p>Relevant Lead Members were briefed with a paper setting out a consideration of delivery models:</p> <ul style="list-style-type: none"> Direct delivery model: As no capital funding is available, this option was discounted Partner-delivery model by procurement: Typically, procurement is a longer and more costly process than a land transaction. A procurement route is suitable where specific, or tailored, output requirements are sought that are beyond the requirements of statutory bodies. This is not the case in this instance, so this option was discounted. Partner-delivery model by Land Transaction: The process enables the sector to step forward with its proposals to the council. Quality standards are secured via Planning, Building Control and, in this case, the Care Quality Commission (CQC). The council has the opportunity through the selection process to choose the best offer in line with its residents' care needs, its values and its standards. If no suitable or satisfactory offer comes forward, the council has recourse not to proceed at all. This is the approach proposed. <p>This information was provided to the Commission with a report in April 2025 (see Background Papers). Present at that meeting was the Strategic Director, Children's and Adults' Services, the Cabinet Member for Health & Wellbeing and the Head of Sustainable Growth North to answer questions. The HSCSC welcomed the discussion.</p>

	The land transaction bid process commenced in February 2025. So far, there has been good interest from the sector. A report with a recommendation to Cabinet is on the Forward Plan for October 2025.
RECOMMENDATION 1: NOT ACCEPTED	

COMMISSION'S RECOMMENDATION 2 TO CABINET	
2.	<p>The Gateway 0 ought to include consideration of a Direct Delivery approach; in order to investigate and consider all possible sources of capital (Community Infrastructure Levy, Section 106 etc.) plus a loan. The commission would encourage the cabinet to adopt a similar principle towards infrastructure provision for older people in the same way we deliver schools, libraries and leisure centres. In addition, the commission would urge that Cabinet consider low interest loan opportunities from the Public Works Loan Board.</p>
RESPONSE TO RECOMMENDATION 2	
2.	<p>The Direct Delivery approach has been considered and discounted (as set out in the response to Recommendation 1).</p> <p>With regards to other infrastructure provision delivered by the council through direct delivery:</p> <ul style="list-style-type: none"> • The schools' build programme is not a relevant comparator as this is funded by central government through the Department of Education. <p>Previous investment in libraries and leisure centres has only taken place where the scale of funding required was manageable within the council's capital programme and aligned with agreed priorities in the CDP. The scale of investment needed for a new nursing home, estimated at £25–30m would be significantly higher, and cannot be met within the Council's current financial position.</p> <p>With regards to the Commission's recommendation to consider a loan from the Public Works Loan Board: this currently lends at 4.7% for a year and 6% for 15 years; the council would not choose to incur the burden of repayment, especially given the current documented challenges for Inner London councils around the Fair Funding Review. Additional financing costs for the General Fund would require cuts to be made elsewhere in the budget.</p> <p>With regards to the Commission's suggestion of the use of Strategic CIL: another new nursing home is not currently an outstanding Council Delivery Plan (CDP) commitment and so would not be prioritised according to our SCIL Framework (see background papers). We have used SCIL to enable the 'fit-out' of a number of centres including the new Harold Moody Health Centre on the Aylesbury Estate. However, these allocations have been in the region of £1-2.5m, not the £25-30m which would be required for direct delivery of a Nursing Home. There are currently no S106 funds available for this site.</p>
RECOMMENDATION 2: NOT ACCEPTED	

COMMISSION'S RECOMMENDATION 3 TO CABINET	
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3.	The Gateway 0 ought to include consideration of an appraisal of the impact of each delivery model on the revenue account
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RESPONSE TO RECOMMENDATION 3	
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3.	Relevant Cabinet Members (the Member for New Homes and Sustainable Development and the Member for Health and Wellbeing) were taken through delivery models in March this year, as set out in the response to Recommendation 1. This included considerations of financial viability and this information was provided to the Commission in April 2025 (see Background Papers).
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With regards to delivery costs:

- The capital cost outlay for a new 90-bed nursing home is anticipated to be £25-30m delivered directly by the council
- Delivery of a new home through a land transaction would be progressed without the need for additional borrowing or capital funding

With regards to impacts on the revenue account:

- All care contracts in the borough are delivered through third-party operators. The fee costs for council-funded bedspaces are incurred by the revenue account for the service, with only a portion covered by grant.
- Where an operator uses a council asset, there will be a mix of discounted room rates and rental income. The rental income reflects the use of beds that are not part of the council bed-block contract; that rental income goes to the revenue account for the service.
- Ongoing value for Adult Social Care is a key criteria for assessing proposals coming forward.

RECOMMENDATION 3: NOT ACCEPTED	
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COMMISSION'S RECOMMENDATION 4 TO CABINET	
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4.	The Gateway 0 ought to include consideration of a partnership with the NHS.
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RESPONSE TO RECOMMENDATION 4	
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4.	<p>The Cabinet Member for Health and Wellbeing has explored the potential for an NHS partnership in delivering the proposed new Nursing Care Home development.</p> <p>In response, NHS partners, including the Integrated Care Board (ICB) and Guy's and St Thomas' NHS Foundation Trust (GSTT) acknowledged the importance of the project and the need for increased Nursing Care Home capacity in Southwark.</p> <p>However, they confirmed that neither organisation would be able to take the project forward, citing limitations on their capital funding and NHS capital spending priorities and rules.</p>
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RECOMMENDATION 4: NOT ACCEPTED	
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COMMISSION'S RECOMMENDATION 5 TO CABINET

The Gateway 0 ought to include consideration of a partnership with a charitable association.

RESPONSE TO RECOMMENDATION 5

Charitable sector providers were able to respond to the land transaction bid opportunity.

RECOMMENDATION 5: NOT ACCEPTED

Policy framework implications

10. The subject of this report relates to Southwark 2030, specifically three of the six goals, which are Decent Homes for all; A healthy environment; Staying well.

Community, equalities (including socio-economic) and health impacts

Community impact statement

11. There is no community impact associated with this decision.

Equalities (including socio-economic) impact statement

12. The Public Sector Equality Duty (PSED) is set out in section 149 of the Equality Act 2010, which requires the council to have due regard to the need to:
 - eliminate discrimination, harassment and victimisation;
 - advance equality of opportunity between persons who share a relevant protected characteristic and those who do not;
 - foster good relations between persons who share a relevant protected characteristic and those who do not.
13. Due regard has been given to PSED under the Equality Act 2010, with respect to this decision and no further consultation is required.

Health impact statement

14. Whilst the wider context for this report relates to health, there is no health impact associated with this decision.

Climate change implications

15. There are no climate change implications associated with this decision.

Resource implications

16. There are no financial, budget, staffing or HR implications associated with this decision.

Consultation

17. There is no requirement for public consultation with respect to this decision.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance (SF22/08/2025)

18. This report is provided in accordance with Paragraph 15 of the Overview and Scrutiny Rules, which requires the Cabinet to consider and provide a written response to a commission report.

Strategic Director, Resources (CF25 – 109)

19. This cabinet report is an Officer response to the Nursing Care Home Delivery Scrutiny Review Report dated May 2025.
20. The strategic director of resources notes the 5 original recommendations and the officer response to these recommendations as detailed in the report.
21. The strategic director of resources also notes that there are no direct financial implications arising from this report.
22. Staffing and any other costs associated with this recommendation are to be contained within existing departmental revenue budgets.

Strategic Director of Children's and Adults' Services

23. Sustainable Growth colleagues have worked with Adult Social Care and Finance in assisting us to achieve another Nursing Care Home in Southwark. The need for this additional capacity and choice is clear and we welcome the prospect of this being delivered in the near future. The recommendations from the Health and Care Scrutiny Commission are heard, understood and respected; and in normal circumstances would present the opportunity for alternative delivery routes to be considered. However, having already used capital reserves to purchase Tower Bridge Care Home (to save that from closing and the impact that would have had on vulnerable residents and care staff), the department has no further capital funds available. Corporately, the Council priority is Council Housing and progressing improvements on that is requiring considerable borrowing which has an impact on other departments borrowing for capital projects, especially at current interest rates. Council ownership of the site means that delivery through a land transaction is a route which can deliver a new Nursing Care Home without the need for additional borrowing and in a shorter time frame. Adult Social Care colleagues will work with Sustainable Growth to influence the design and specification where we can, in the best interests of our residents. We will continue to work with the Health and Care Scrutiny Commission to strengthen quality assurance in care services as we all have the same aim which is high quality care and support for vulnerable residents.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet report, Report of the Health and Social Care	Sustainable Growth, Planning and Growth	Catherine.Brownell@southwark.gov.uk

Background Papers	Held At	Contact
Scrutiny Commission: Nursing Care Home Delivery scrutiny review report, June 2025, Agenda item 26, Appendix 1,		
(Public Pack)Agenda Document for Cabinet, 17/06/2025 11:00 Minutes Template		
Asylum Road Care Home, update paper to HSC SC, April 2025, Agenda Item 6	Sustainable Growth Planning and Growth	Catherine Brownell Catherine.brownell@southwark.gov.uk
(Public Pack)Agenda Document for Health and Social Care Scrutiny Commission, 02/04/2025 19:00 Minutes Template		
IDM 128-148 Asylum road site, 104 April 2024	Sustainable Growth, Planning and Growth	Catherine Brownell Catherine.brownell@southwark.gov.uk
Report - Proposal for site 128-148 Asylum Road SE15 part of the site formerly known as the QR4 s.pdf Record of Decision.pdf		
Cabinet Report, Framework for Strategic Community Infrastructure Levy Funding, 6 March 2024, Agenda item 11	Sustainable Growth, Planning and Growth	Catherine Brownell Catherine.brownell@southwark.gov.uk
(Public Pack)Agenda Document for Cabinet, 06/03/2024 11:00 Minutes Template		

APPENDICES

No.	Title
Appendix 1	ASC Nursing Care Needs Assessment, August 2024

AUDIT TRAIL

Cabinet Member	Cllr Helen Dennis Cabinet Member for New Homes and Sustainable Development	
Lead Officer	Stephen Platts, Director of Planning and Growth	
Report Author	Catherine Brownell, Head of Sustainable Growth North	
Version	Final	
Dated	4 September 2025	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	Yes
Strategic Director, Resources	Yes	Yes
Strategic Director, Children's and Adults' Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	4 September 2025	

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OVERVIEW AND SCRUTINY COMMITTEE

MUNICIPAL YEAR 25/26

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