

<b>Item No.</b> N/A	<b>Classification:</b> Open	<b>Date:</b> 16 April 2024	<b>Decision maker:</b> Councillor Helen Dennis, New Homes and Sustainable Development
<b>Report title:</b>		Proposal for site 128-148 Asylum Road SE15 (part of the site formerly known as the 'QR4 site')	
<b>Ward(s) or groups affected:</b>		Nunhead and Queens Road	
<b>From:</b>		Director of Planning and Growth	

## RECOMMENDATION

1. That the Cabinet Member for New Homes and Sustainable Development, agrees the site at 128-148 Asylum Road SE15 (set out in appendix 1), as the location for a new Nursing Home.

## BACKGROUND INFORMATION

2. The site known formerly as 'QR4 site' is General Fund land and was previously the site of an Adults Day Centre which closed in 2018. The site was cleared in 2018. The QR4 site was the aggregation of two plots (see Appendix 1):
  - 128-148 Asylum Road site, indicated in dashed red line; and
  - 133-137 Queens Road site, indicated in dashed blue line.
3. The 133-137 Queens Road site is currently identified in the Southwark Land Commission report 'Land for Good' as a potential development site for its identified purposes; it may be explored for a separate development opportunity. It is likely that this site would be required as an access route for the construction of the Nursing Home and therefore would only become available upon completion of that development.
4. In October 2020, following the impact of COVID-19, Cabinet resolved to stop progress and close the Queens Road 4 (QR4) programme, an initiative to co-locate targeted council services in a new office building on the QR4 site. Cabinet also resolved that officers, in consultation with the cabinet member for housing, appoint an architect from the Southwark Architects Framework to undertake a feasibility to explore the potential use of the site as a housing redevelopment opportunity. Cabinet noted the need to find alternative service delivery accommodation for staff that had been intended to co-locate on the QR4 site development (staff based at Talfourd Place, Curlew House, Sumner House and Bournemouth Road). The body of the report also set out the commitment to consult with the local community on future schemes at a point when proposals are still at a formative stage to allow sufficient time for consideration and response.

5. The design for the QR4 programme had incurred significant commentary from local residents, particularly on the grounds of massing, architecture and sunlight/daylight considerations affecting the adjacent residential properties. Accordingly, the resultant design placed the highest element of the building on Asylum Road to align broadly with the height of the existing adjacent Victorian terrace; and set back to the same building façade line as the terrace. The building height stepped down on the western side (nearest the neighbouring properties).
6. In 2021, feasibility work for a housing development was undertaken by means of a massing study and an indicative viability assessment. The massing study kept the same heights (as the QR4 scheme), yielding a maximum 52 dwellings. Options included with-and-without office accommodation on the ground floor and a 50/50 Private Sale (PS) / Social Rent (SR) residential mix; retail was assumed on the ground floor of the Queens Road frontage. Of the options tested, two indicated a viable position: Option 1a (market rent office accommodation and 42 homes, of which 50% SR) and Option 3b (52 homes, of which 50% SR). Following that feasibility stage, further work was paused and consultation with the local community had yet to recommence.
7. In 2023, a number of sites were explored as the potential location for a new Nursing Home, in line with the Council Delivery Plan. Requirements were for an 80-100 bed facility and for a site location in the south of the borough, from where most of the council's referrals, both council-funded and self-funded, are drawn. Three sites were shortlisted, including the 128-148 Asylum Road site; a massing and capacity study showed that, of these, the 128–148 Asylum Road site was the most suitable, as well as the only site that could accommodate this quantum of accommodation.
8. On 14 March 2024, a community engagement event was held in the locality, hosted by one of the Ward Councillors and an officer and attended by a number of local residents. At that event, the council set out its latest considerations for the use of the site for a new nursing home, rather for mixed tenure residential, based on the demand for that use-sector, the council's commitments, and the findings of the feasibility work. The council explained that no design work had yet commenced. The response from the community was almost unanimously positive, with active endorsement of a new nursing home from a number residents. Attendees also affirmed their readiness and wish to be involved in the design development.

## **KEY ISSUES FOR CONSIDERATION**

9. Further to a re-evaluation of the use-options for the site - a mixed tenure housing development or a new Nursing Home - the proposed recommendation is for the 128-148 Asylum Road site to be the location for a new Nursing Home.

## **Housing development option**

10. A reassessment of the 2021 housing development study has been undertaken and a number of constraints have been identified which could present a compromised solution: the restriction on building height limits the number of dwellings to a maximum of circa 52 homes, which, based on the required 50/50 tenure split, yields a maximum of 26 SR homes; the proposed positioning of mews houses on the Western boundary, would necessitate the removal of a number of trees and this is likely to be contentious with local residents; the proposed placing of new homes on the Queens Road frontage (above the ground floor retail) could present air quality issues for those dwellings.
11. A review of the viability assessment carried out in 2021, has been undertaken (November 2023). Based at today's values, the assessment demonstrates that the study scheme now yields a less favourable position than before, with the modelling now indicating a negative residual land value.

## **Nursing Home development option**

12. The Nursing Home presents a suitable potential development option for this site. The limitation on height works in favour of care-provision delivery, which, for operational reasons, is best managed over a maximum 4/5 storeys. The study places the Nursing Home block on Asylum Road frontage and the remainder of the site is proposed as the residents' garden, preserving the existing mature trees on the western boundary and thereby maintaining screening for the existing residential properties adjacent. The accommodation would be configured entirely within the 128-148 Asylum Road site, which releases the 133-137 Queens Road site for another use suitable to its frontage on a primary road. The site's proximity to public transport corresponds to a key requirement for safety of staff shift-workers (as well as good accessibility for visitors); it is worth noting that a nursing home facility of this size is expected to generate circa 100 full-time equivalent jobs at qualified, unqualified and managerial level.
13. A business case and viability assessment for a 90-bed place Nursing Home has been undertaken (November 2023). The assessment considers a number of % splits of council-funded places /self-funded places and the findings indicate that, while a 70/30 split is unlikely to yield a positive residual land value, a 50/50 split could present a more favourable position. This would need to be further tested in the market but the indication is that the nursing home, in this location and with the pipeline of council-funded referrals and some self-funded referrals, could present a viable business case proposal.
14. It is worth noting that the delivery of Nursing Home bed-places in the borough can serve to release often under-occupied dwellings, both council homes and market homes. In this way, the Nursing Home can, indirectly, contribute to general housing provision.

## **Next steps**

15. Subject to IDM approval, the next steps would be to go to the Nursing Home sector-market to: scope out and develop delivery arrangements with a development partner; and to embark on the design process to Planning. It is intended that the delivery arrangements would provide for both the construction of the nursing home and the delivery of the care provision through one development-partner entity. A cabinet decision would be sought to approve the Gateway 1 at the appropriate time.
16. Following on from the community engagement session on the 14 March 2024, the council will continue the dialogue on the design development work-stream, sharing the emerging scheme proposals for the Nursing Home through early engagement with Ward Councillors and residents.

## **Policy framework implications**

17. Southwark Plan 2022 policies relating to a Nursing Home development option include: Strategic Policy SP1 Homes for all; AV.14 the Peckham Area Vision; P7 Housing for older people; P15 Residential design; P 28 Access to Employment; P45 Healthy Developments. The 128-148 Asylum Road site (and the 133-137 Queens Road site) are not identified as a site allocation in the Southwark Plan 2022.

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

18. In line with the council's commitment to the values of a fairer future for all, the following paragraphs apply, 19 – 21.

### **Community impact statement**

19. The council is committed to take into account the impact of any development on the affected communities: both the local community and the wider community and, where applicable, the end-user community. Upon the IDM's resolution for the programme use of this site, a community impact assessment will be progressed to ensure the needs of the diverse community of the borough is acknowledged and incorporated into the design and service delivery.

### **Equalities (including socio-economic) impact statement**

20. The council is committed to narrowing social inequality and injustice; an equalities impact and needs assessment (EINA), as set out under the Equality Act 2010 and the Public Sector Equality Duty (PSED), was undertaken for both the community and for council staff in 2017 as part of the proposal for the QR4 programme and some of that information still holds good. A further EINA had yet to be carried out, following Cabinet's 2020 resolution to progress a feasibility study for a housing development on the site. Upon the IDM's resolution for the programme use of this site, the officer team will ensure that a new/refreshed EINA be carried out.

### **Health impact statement**

21. The council is committed to reducing health inequality so that whatever your background and stage of life you can live a healthy life. Designing for health living from first principles will be a key part of designs for this site. Upon IDM's resolution for the programme use of this site, the officer team will ensure that a new/refreshed Health Impact statement be carried out, both in terms of the programme use, proximity to public transport and in relation to other health-related principles.

### **Climate change implications**

22. The council is committed to tackling climate change with an ambition to be a carbon neutral borough by 2030. The site is currently a cleared remediated site. The new buildings will be constructed to current building standards to reflect the net-zero targets. A carbon impact assessment of the new development will be taken forward as part of the design development process and will feature in the appendices to the Planning consent.

### **Resource implications**

23. None

### **Legal implications**

24. Please see the legal concurrent in paragraphs 28-32 below

### **Financial implications**

25. This is a General Fund site and the nursing home use-programme fits within the General Fund designation. There are resources in the General Fund and some allocation has already been identified for Nursing Home provision.
26. The council would seek to offer this opportunity to the market and would expect a favourable position to be achieved, given the good location of the site and the reliable pipeline of referrals from the council.

### **Consultation**

27. To ensure officers are acknowledging and incorporating the needs of our diverse community of the borough into the design and service delivery, a detailed programme of engagement on the new designs will be mapped out upon appointment of the new design team. This will be scheduled to occur at a point when proposals are still at a formative stage and to allow sufficient time for consideration and response. Upon the IDM's resolution for the programme use of this site, the officer team will ensure that full consultation with the local community will be progressed at each stage of design, from inception.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Assistant Chief Executive, Governance and Assurance (CON/KM/20240118)**

28. This report seeks the approval of the IDM for the Asylum Road site as the location of a new nursing home as detailed in paragraph 1.
29. Agreeing the use of this site is an executive function that can be determined by the cabinet or under their delegated authority in accordance with the Local Government Act 2000 and can therefore be made by the relevant cabinet member.
30. There are no specific legal implications arising from the recommendations set out in this report. However in considering these recommendations, the IDM should have regard to the council's obligations to carry out its duties in accordance with the principles of best value, and to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This report outlines how approval of these recommendations will assist the council in meeting its Council Delivery Plan commitments.
31. The IDM's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The IDM is specifically referred to the community, equalities (including socio-economic) and health impacts statement at paragraphs 18-21, setting out the consideration on equalities issues which the IDM should give careful consideration to when approving the recommendations in this report. The duty is a continuing one and, as highlighted in paragraph 20, the EINA will be refreshed to take into account the revised use of this site.
32. As detailed in paragraph 15, the intention is for a delivery arrangement to be procured where the construction of the nursing home and the care provision are secured through one development partner entity. This will be subject to further gateway approval, and officers from legal services will provide further advice on this at the appropriate time.

### **Strategic Director of Finance (FC23/007)**

33. This report seeks the approval of the IDM for the Asylum Road site as the location of a new nursing home, as detailed in paragraph 1.
34. There are no new immediate financial implications arising from this report.
35. This is a General Fund site and the nursing home use-programme fits within the General Fund designation. There are resources in the General Fund and some allocation has already been identified for Nursing Home provision (although this

will be ascertained when a relevant proposal comes forward for the site, and the funding route will also be established at that time).

36. The council would seek to offer this opportunity to the market and would expect a favourable position to be achieved, given the good location of the site and the reliable pipeline of referrals from the council. It is intended that the delivery arrangements would provide for the construction of the nursing home and the delivery of the care provision through one development-partner entity.
37. The delivery vehicle chosen should ensure that the Council obtains value for money for the site in line with Section 123. Where a development partner route is explored, opportunities to maximise the benefits achieved from the site should also be explored. This is without prejudice to the council exploring options to develop the site itself, if that proved to be more economically advantageous.
38. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet meeting 20 October 2020, minutes, item 15.	160 Tooley Street, SE1 2QH	Catherine Brownell <a href="mailto:Catherine.brownell@southwark.gov.uk">Catherine.brownell@southwark.gov.uk</a>
<b>Link:</b> <a href="https://moderngov.southwark.gov.uk/documents/q6663/Printed%20minutes%20Tuesday%202020-Oct-2020%2016.00%20Cabinet.pdf?T=1">https://moderngov.southwark.gov.uk/documents/q6663/Printed%20minutes%20Tuesday%202020-Oct-2020%2016.00%20Cabinet.pdf?T=1</a>		

## APPENDICES

No.	Title
Appendix 1	Indicative Site plan

## AUDIT TRAIL

<b>Lead Officer</b>	Stephen Platts, Director of Planning and Growth	
<b>Report Author</b>	Catherine Brownell, Programme Manager, Sustainable Growth North	
<b>Version</b>	Final	
<b>Dated</b>	09 April 2024	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Assistant Chief Executive – Governance and Assurance	Yes	No
Strategic Director of Finance	Yes	No
<b>Cabinet Member</b>	Yes	No
<b>Date final report sent to Constitutional Team</b>		16 April 2024



## Appendix 1 – Indicative Site Plan



Figure 1:

Red dashed line: boundary of 128-148 Asylum Rd site

Blue dashed line: boundary of 133-137 Queens Road site