

Headline planning need statement
Elderly care home

Site at The Ageas Bowl, Botley Road, West End, Southampton, SO30 3XH

Prepared for:
Land and Development Advisory Limited

Carterwood Report – March 2023

Prepared by:

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BSc (Hons)

- Sector specialists
- Data quality
- Innovation

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Instructions

T1 Instruction summary			
Client	Land and Development Advisory Limited		
Site address	Site at The Ageas Bowl, Botley Road, West End, Southampton, SO30 3XH		
Prepared by	Jessica Stainthorp BSc (Hons)		
Reviewed by	Jessamy Venables BSC (Hons) MSc MRICS		
Research date	9 March 2023	Report date	21 March 2023
T2 Purpose of advice			
Purpose of advice	The purpose of this headline planning need statement is to provide a brief analysis of the quantitative need for elderly care beds to inform the initial decision-making process. This report is for the use of the client only and should not be used for any purpose other than the purpose stated. <u>It is not a valuation and must not be used for loan security purposes.</u>		
Important notice	Our sources of information and limitations to our advice are provided within Appendix A and should be read fully in conjunction with our report. All recommendations are based upon the market and financial climate as at the date of issue of the report.		
T3 The proposal			
Instruction background	Headline planning need statement commissioned to inform the quantitative need for elderly care beds as part of the submission of a planning application.		
The development	The proposed care home is intended to be registered for approximately 71 single bedrooms for the provision of nursing, residential and dedicated dementia care. All bedrooms will be equipped with an en-suite wetroom, and a range of communal areas will be available. The care home will be capable of caring for residents of all dependency levels, including those who require dementia care within a specialist unit, within well-specified, flexible accommodation incorporating infection-control measures to enable care to be administered most effectively.		
T4 Carterwood			
Carterwood provides advice across the care sector to a range of operators, developers and other stakeholders. Our client base represents many operators currently seeking to develop new care homes and extra care schemes. Accordingly, we are in an almost unique position in the sector, having assessed over 3,500 sites since 2008, for a range of providers across a range of scheme types and care categories.			

Need statement conclusion

T5 Market commentary		
Assessed catchments	- A circa 5-mile market catchment. - The Eastleigh Borough Council local authority area.	
Year of assessment	2026, the earliest the proposed care home could be made available.	
Qualitative assessment of existing care home beds	Market catchment	79% en-suites and 45% en-suite wetrooms
	Local authority area	83% en-suites and 53%, en-suite wetrooms
	UK national average	76.2% en-suite and 30.1% en-suite wetrooms
Planned market standard care bed supply	Market catchment	133 care home beds with permission and 70 pending
	Local authority area	No care home beds with permission and 70 pending
We assume all new care bedrooms will provide en-suite wetrooms.		
All bed net need (2026)	Market catchment	Net need for 231 en-suite bedrooms
	Local authority area	Net need for 124 en-suite bedrooms
Analysis includes existing supply and <u>all</u> planned beds (granted and pending).		
Dedicated dementia net need (2026)	Market catchment	Net need for 488 en-suite bedrooms
	Local authority area	Net need for 293 en-suite bedrooms
Analysis includes existing supply and <u>all</u> planned beds (granted and pending).		
Projected market standard care bed net need (2036)	Market catchment	Net need for 930 en-suite bedrooms
	Local authority area	Net need for 484 en-suite bedrooms
Analysis includes existing supply and <u>all</u> planned beds (granted and pending).		
Conclusion	- Based on 2026, the earliest the proposed care home could be available, there are undersupplies of 231 and 124 minimum market standard care home beds in the market catchment and local authority area, respectively. Our analysis assumes that all planned beds we have assessed will be developed and operational by 2026 and does not make any allowance for the potential closure of any care homes or loss of care beds. - The undersupplies are projected to rise to shortfalls of 930 and 484 minimum market standard care beds in the market catchment and local authority, respectively, by 2036, even when it is assumed all currently planned care homes (both granted and pending) are developed. - There is a significant undersupply of 488 and 293 dedicated dementia beds within the market catchment and local authority area, respectively, based on minimum market standard beds in 2026. - The shortfall of full en-suite wetroom bedrooms (akin to those proposed in the subject care home) is significantly higher in 2026, (at 1,090 in the market catchment and 467 in the local authority) than the figures set out above. - The proposed care home would assist in meeting the existing and increasing shortfall of care beds in the market catchment and Eastleigh Borough Council local authority area and will also provide additional dedicated dementia care provision, where there is currently a substantial underprovision.	

Need analysis summary

T6 Market standard care bed need analysis summary (2026)				
Type of care	All beds		Dedicated dementia beds	
Catchment	Market	LA	Market	LA
Gross need				
All bed/specialist dementia need	2,256	1,049	932	433
Occupancy capacity allowance	189	88	78	36
Total gross need	2,445	1,137	1,010	469
Supply				
Existing elderly en-suite	2,011	943	448	148
Existing elderly wetroom	1,152	600	325	148
Planned beds (to 2026)	203	70	74	28
Total supply (en-suite)	2,214	1,013	522	176
Total supply (wetroom)	1,355	670	399	176
Net need				
Elderly en-suite	231	124	488	293
Elderly wetroom	1,090	467	611	293

T7 Future minimum market standard care bed net need			
Catchment	2026	2031	2036
Market catchment	231	536	930
Local authority	124	281	484

T8 Elderly population (age 65+) growth			
	Year	Market catchment	Local authority
Population growth indicating increasing need for care home beds (%)	2026 (from 2023)	5.3	7.2
	2031	18.4	22.1
	2036	35.4	41.1
	2041	46.1	52.3

Assessed catchment areas

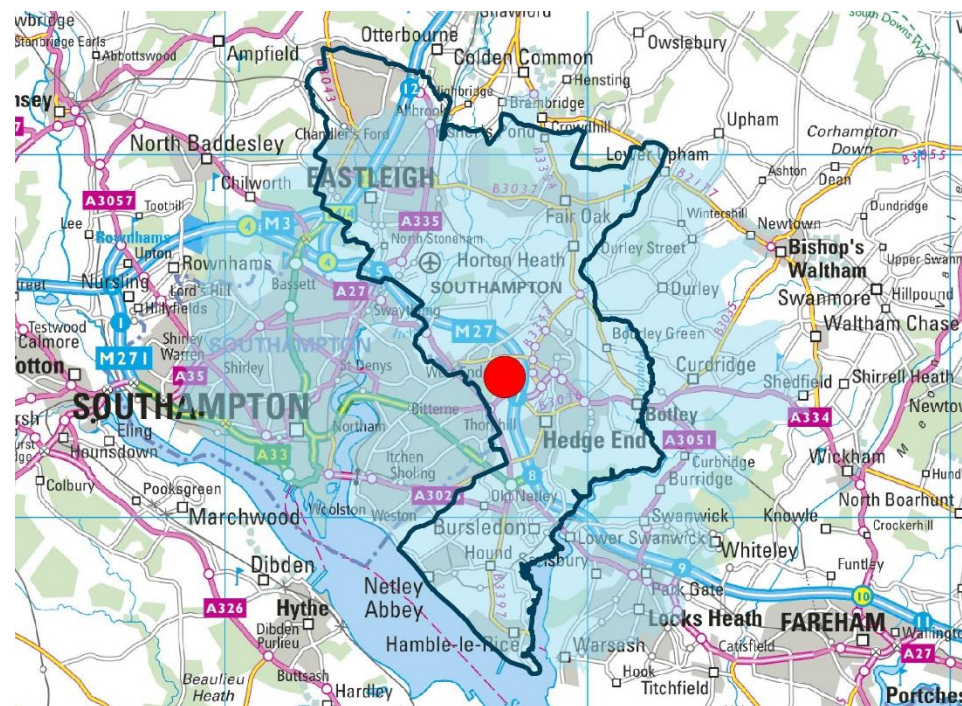


Figure 1: Catchment area map

Notes

- Gross need is assessed using LaingBuisson regional Age Standardised Demand (ASD) rates and assumed growth at 100 per cent of elderly population increases, in line with historic trends.
- Care homes cannot operate sustainably at 100 per cent occupancy and ensure sufficient capacity for vacancies between admissions, infection control, embargos, refurbishment, etc., so the occupancy capacity allowance adjustment gives an 'effective' full capacity of 92.3 per cent.
- Need is assessed based on minimum market standard bedrooms, which we define as providing en-suites (minimum of a WC and wash hand basin) but not necessarily a level access shower (wetroom). Need is also assessed for en-suite wetroom bedrooms.
- Planned supply is based upon individual analysis of each scheme and assessment of earliest possible year of completion (or earliest possible year, should planning permission be forthcoming for pending applications). We assume all planned beds will provide wetrooms. Proposed extensions are researched on a headline basis only as part of an HPNS.
- Average occupancy is assumed to again exceed 90 per cent (by 2024), based on forecast growth rates and recovery following the pandemic.

Market catchment

T9 Gross need for elderly care beds in market catchment (2026)		
Type of care	All beds	Dedicated dementia beds
Gross need	2,445	1,010

T10 Existing supply of elderly care beds (market catchment)						
Care category	No of homes	Total reg. beds	Total en-suite	Total wetroom beds	% en-suite beds	% wetroom beds
Total market provision						
Overall	59	2,547	2,011	1,152	79	45
Specialist dementia provision						
Dedicated dementia homes	6	271	206	100	76	37
Dedicated dementia units	10	258	242	225	94	87
Overall	16	529	448	325	85	61

T11 Planned supply in market catchment by estimated year of completion					
Supply	2023	2024	2025	2026	2027
All beds	13	80	110	0	0

T12 Planned supply for need assessment calculations (2026)	
Basis of assessment	Market catchment
Total market planned beds	203
Specialist dementia planned beds	74

T13 Future minimum market standard bed need in market catchment			
Catchment	2026	2031	2036
Market catchment	231	536	930

Local authority area

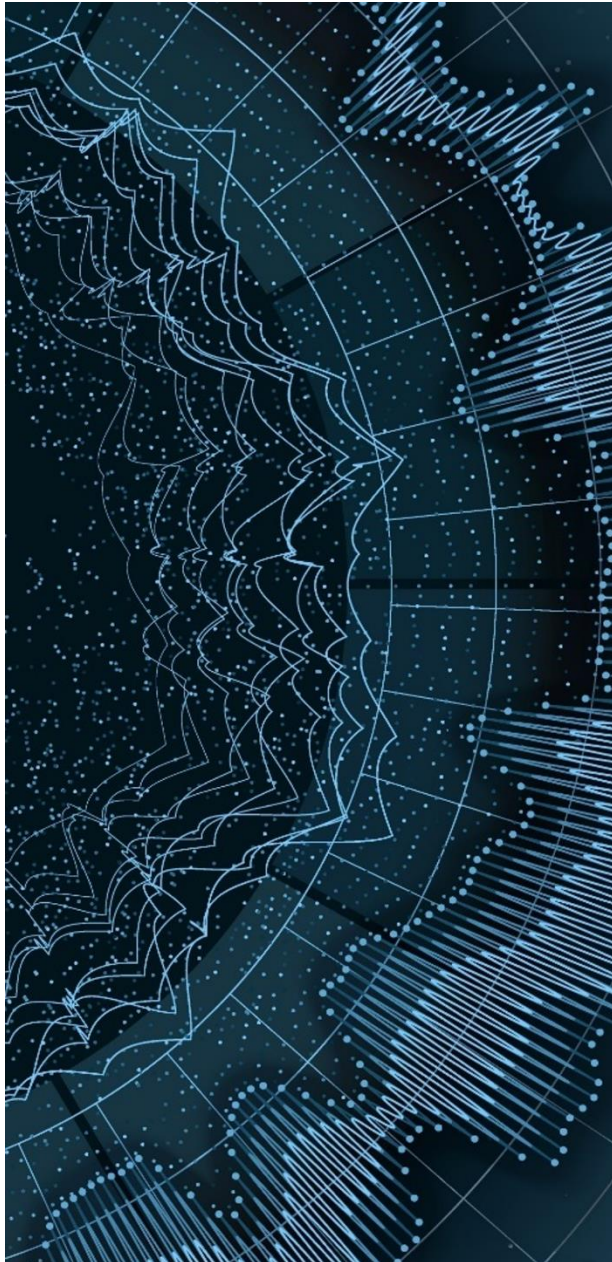
T14 Gross need for elderly care beds in local authority (2026)		
Type of care	All beds	Dedicated dementia beds
Gross need	1,137	469

T15 Existing supply of elderly care beds (local authority)						
Care category	No of homes	Total reg. beds	Total en-suite	Total wetroom beds	% en-suite beds	% wetroom beds
Total market provision						
Overall	23	1,132	943	600	83	53
Specialist dementia provision						
Dedicated dementia homes	0	0	0	0	-	-
Dedicated dementia units	6	148	148	148	100	100
Overall	6	148	148	148	100	100

T16 Planned supply in LA by estimated year of completion					
Supply	2023	2024	2025	2026	2027
Local authority catchment	0	0	70	0	0

T17 Planned supply for need assessment calculations (2026)	
Basis of assessment	Local authority
Total market planned beds	70
Specialist dementia planned beds	28

T18 Future minimum market standard bed need in market catchment			
Catchment	2026	2031	2036
Local authority area	124	281	484



Data tables and competition map

Planned supply

Map showing location of existing and planned supply

Planned supply

T19 Details of planned provision											
Map ref	Catchment	Site address	Applicant	Scheme description	Net elderly beds	Dementia beds	Has construction commenced?	Estimated year of opening	Distance from subject site (miles)	Planning reference	Notes
Granted											
A	Market catchment only	Springfield House, 95–97 Portsmouth Road, Southampton, Hampshire, SO19 9BE	Saint John's Nursing Home	Construction of a single-storey rear extension to create two additional bedrooms.	2	2	No	2023	2.7	22/00293/FUL - 23/05/2022	-
B	Market catchment only	Land at Park Farm/ North Stoneham, Stoneham Lane, Eastleigh, Hampshire, SO50 9HS	Cinnamon Retirement Living Ltd	Creation of continuing care retirement community (C2) including construction of buildings, works to and conversion of existing coach house and granary buildings, creation of roads, car parking, footpaths, landscaping, drainage works and associated infrastructure, following demolition of existing buildings.	40	20	Yes	2025	3.3	19/02811/FULLS - 24/09/2020	This care village will be operated by Opus and called Stoneham Park retirement village. It is due to complete in 2025.
C	Market catchment only	75 The Avenue, Southampton, Hampshire, SO17 1XS	McCarthy and Stone Retirement Lifestyles Ltd	Re-development of site to create a block ranging from two to four-storeys containing 66 assisted living/extra care flats and a four-storey 80-bed care home with associated parking and landscaping.	80	24	No	2024	3.6	21/01398/FUL - 31/08/2022	-

T19 Details of planned provision											
Map ref	Catchment	Site address	Applicant	Scheme description	Net elderly beds	Dementia beds	Has construction commenced?	Estimated year of opening	Distance from subject site (miles)	Planning reference	Notes
D	Market catchment only	Avon Park Rest Home, 66 Southampton Road, Park Gate, Southampton, Hampshire, SO31 6AF	Avon Park Rest Home	One-and-a-half-storey rear extension and alterations to existing floor plan to include an infill single-storey extension to front elevation, first-floor extension creating a total of 9 additional bedrooms and a replacement fire escape to front elevation and new fire escape to rear of east wing.	11	0	No	2023	4.7	P/19/1348/FP - 13/02/2020	This extension will add nine new bedrooms and two en-suites to existing bedrooms at Avon Park Rest Home, resulting in a net increase of 11 minimum market standard bedspaces.
Pending											
E	Market catchment and local authority	Moorhill, Moorhill Road, West End, Southampton, SO30 3AY	Highwood Homes Limited	Proposed 70-bed care home (Use Class C2); associated access, parking, landscaping, sustainable drainage, electricity sub-station, other structures and works; following demolition and clearance of the existing site.	70	28	Pending decision	2025	0.4	F/22/94034	-
Total in market catchment					203	74					
Total in local authority area					70	28					

Sources in Appendix A.

Notes: Planning research was undertaken as stated in T1. Any applications added to our planning registers after this date will be excluded from our analysis. We have only researched planning applications for new-build care homes that have been granted or are pending decision. Extensions are not researched in detail as part of a headline planning need statement.

Existing and planned care home provision

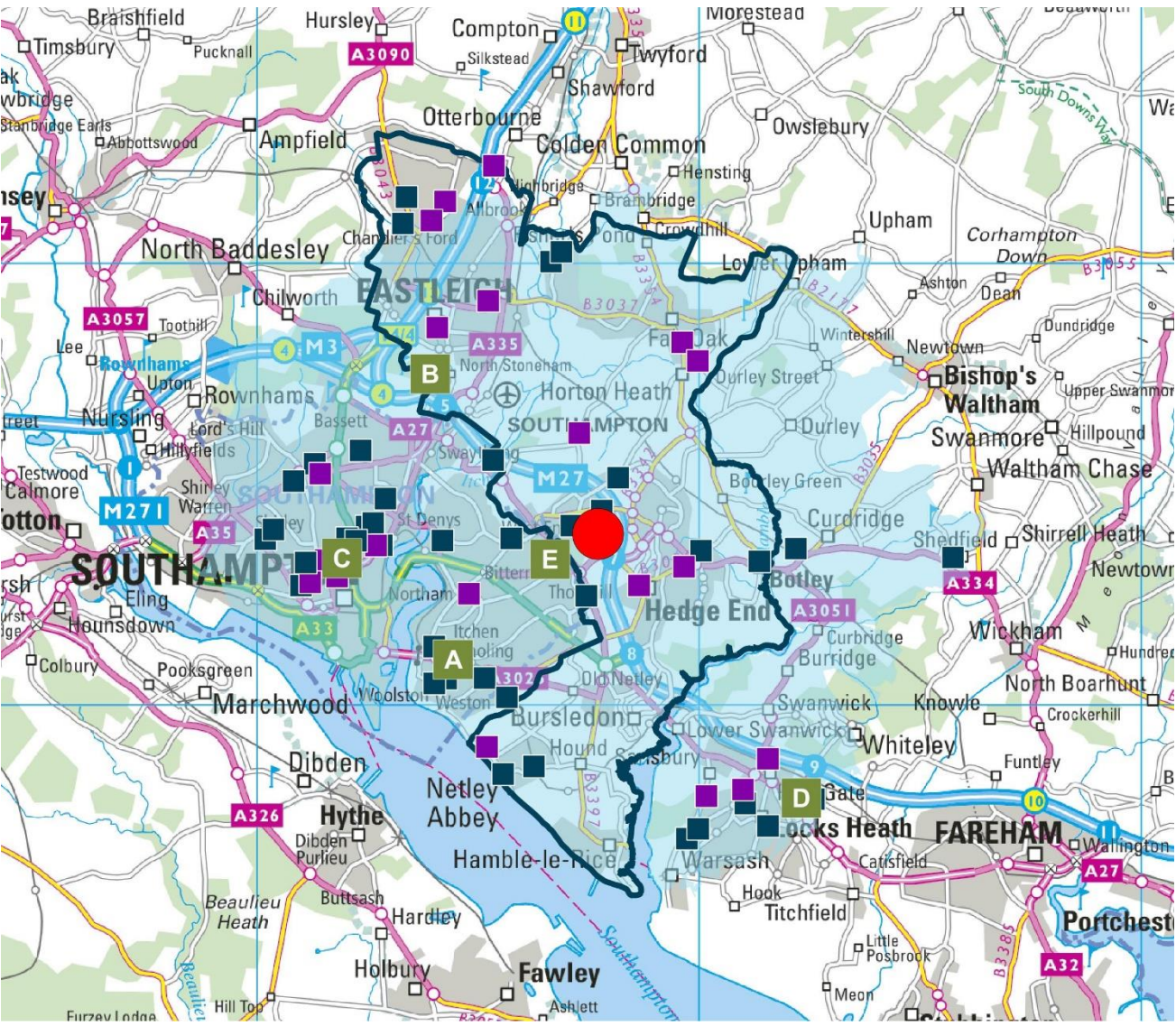


Figure 2: Map of all existing and planned provision

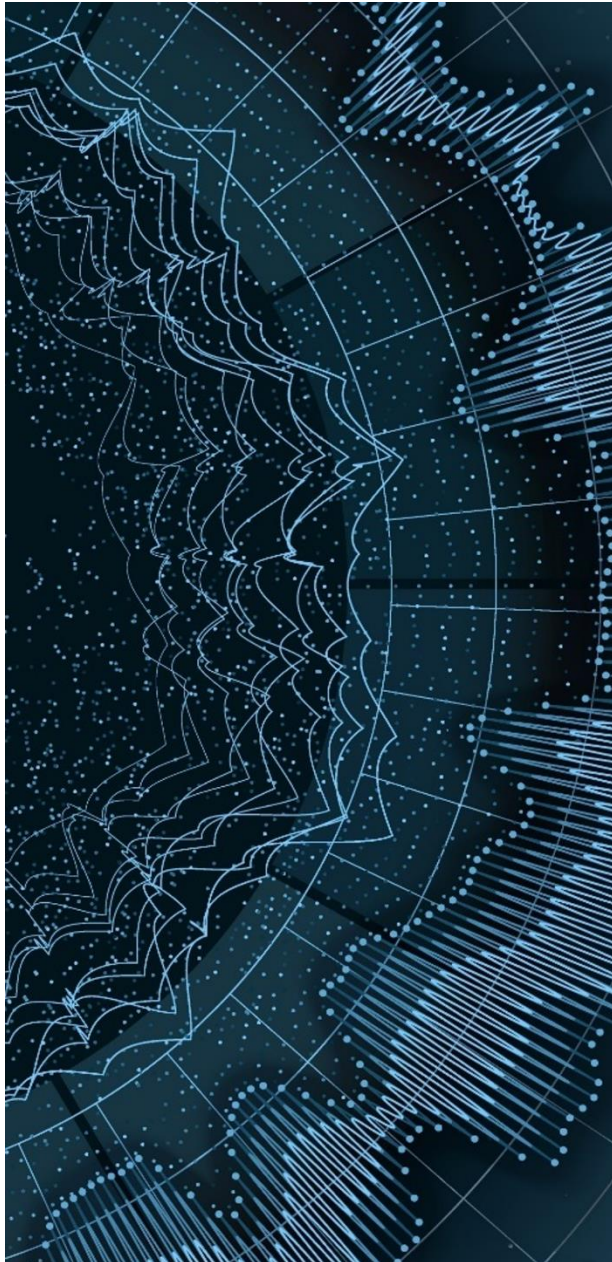
Key:

- Subject site
- Personal care homes
- Nursing homes
- Planned provision

Map references refer to schemes identified in Table T19.
The market catchment is shaded light blue and the Eastleigh Borough District Council local authority area is outlined in dark blue.



Figure 3: National map



Appendices

Sources of limitations of advice
Definitions and reservations

T20 Sources of data

Census 2011 population statistics, ONS 2018-based population projections, LaingBuisson Care Homes for Older People UK Market Report (32nd edition), Carterwood database, A-Z Care Homes Guide, HousingCare, CQC, relevant planning departments, Glenigan, Planning Pipe.

Methodology

A detailed methodology is available upon request

T21 Limitations of advice

Data sources	- All information supplied by the client, its professional advisors, local authorities, social services, statutory bodies, investigation agencies and other stated sources is accepted as being correct and accurate. In accordance with our definitions and reservations, should such information be proven through further investigations to be incorrect, this could affect our advice. - Map sources contain Ordnance Survey data © Crown copyright and database right (2018); Map data ©2019 Google; LPS Intellectual Property © Crown copyright and database right (since 2016).
Confidentiality	- This report is for the stated purposes only and for the sole exclusive use of the named client, to whom it is addressed. - Neither the whole, nor any part of this report or any reference to it, may be included now or at any time in the future, in any published document, circulation or statement, nor referred to or used in any way, without our written approval and context to which it may appear.
Conflict of interest	There are no conflicts of interest that we are aware of that would prevent us from providing our advice.
Extraordinary market factors	The trading environment of the care sector in the UK, which impacts upon market conditions, remains in a volatile state. Contributing factors include political and economic pressures resulting from some ongoing limitations of post-Brexit trading conditions, operating with the legacy and future risks of COVID-19 and the effect of the conflict in Ukraine. Our reports are prepared using high quality data and expert analysis from our experienced team. Any recommendations made are based upon the market and financial climate as at the date of the report, but do not take into account future economic or market fluctuations caused by the events outlined above or other unforeseen events.
Census 2021	This report contains data relating to the 2011 census. The England and Wales 2021 census took place on 21 March 2021; the first release of this data was published on 28 June 2022, with additional releases expected to follow, and with the final release of all data outputs for England and Wales due by spring 2023, and with the final release of all data outputs for England and Wales provisionally expected by November 2023. The Scottish census was delayed, with the collection phase taking place between 28 February and 1 June 2022. We will monitor the census data release schedule, reviewing new data as it is released and ensuring the data is embedded into our analysis as quickly as possible.

Timing of advice

Our work commenced on the date of instruction and the collection and compilation of data and other research contained within our work was undertaken at varying times during the period prior to completion of this report.

The report, information and advice provided during our work were prepared and given to address the specific circumstances as at the time the report was prepared and the scope and requirements set out in the engagement letter. Carterwood has no obligation to update any such information or conclusions after that time unless it has agreed to do so in writing and subject to additional cost.

Data analysis and sources of information

Details of our principal information sources are set out in the appendices and we have satisfied ourselves, so far as possible, that the information presented in our report is consistent with other information such as made available to us in the course of our work in accordance with the terms of our engagement letter. We have not, however, sought to establish the reliability of these information sources by reference to other evidence.

The report includes data and information provided by third parties of which Carterwood is not able to control or verify the accuracy.

We must emphasise that the realisation of any prospective financial information or market or statistical estimates set out within our report is dependent on the continuing validity of the assumptions on which it is based and may be subject to other variables and factors outside the scope of our report. Any assumptions stated in the report will need to be reviewed and revised to reflect market conditions. We accept no responsibility for the realisation of the prospective financial or market information. Actual results may be different from those shown in our analysis because events and circumstances frequently do not occur as expected, and the differences may be material.

Measuring and predicting demand is not an exact science, and it should be appreciated that there are likely to be statistical and market related factors that could cause deviations in predicted outcomes to actual ones.

We have undertaken certain analytical activities on the underlying data provided by third parties to arrive at the information presented. We cannot and do not accept responsibility for the completeness or accuracy of this underlying data.

Where we have adapted and combined different data sources to provide additional analysis and insight, this has been undertaken with reasonable care and skill. The tools used and analysis undertaken are subject to both internal and external data-checking, proof reading and quality assurance. However, when undertaking complex statistical analysis it is understood that the

degree of accuracy is never absolute and there is inevitably variance in any findings, which must be carefully weighed up with all other aspects of the decision-making process.

The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.

All advice has been prepared on a 'desktop' basis and where we have prepared advice on a 'headline basis', we have conducted a higher level and less detailed review of the market. If commissioning a Headline Market Analysis report it we recommend commissioning a comprehensive market analysis report before finalising the decision-making process. Where we have provided 'comprehensive' advice, we have used reasonable skill and endeavours in our analysis of primary and secondary (for example, Census, Land Registry, etc.) data sources, but we remain reliant upon the quality of information from third parties, and all references above to accuracy, statistics and market analytics remain valid.

Purpose and use

The report has been prepared for the sole use of the client and any other persons specifically named in our engagement letter and solely for the purposes stated in the report. The report should not be relied upon by any other person or for any other purposes. The report is given in confidence to the client and any other persons specifically named in our engagement letter and should not be quoted, referred to or shown to any other parties without our prior consent.

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Extraordinary market factors

The trading environment of the care sector in the UK, which impacts upon market conditions, remains in a volatile state. Contributing factors include some ongoing uncertainty around the post-Brexit trading conditions, operating with the legacy and future risks of COVID-19 and the effect of the conflict in Ukraine and the resulting inflationary pressures. Our reports are prepared using high quality data and expert analysis from our experienced team. Any recommendations made are based upon the market and financial climate as at the date of the report, but do not take into account future economic or market fluctuations caused by the events outlined above or other unforeseen events. With this in mind, it may be prudent to review a commissioned report periodically in light of any significant developments that may affect the care sector.

Census 2021

This report contains data in relation to the 2011 census. The England and Wales 2021 census took place on 21 March 2021 the first release of this data was published on 28 June 2022, with additional releases expected to follow, and with the final release of all data outputs for England and Wales due by spring 2023. The Scottish census was delayed, with the collection phase taking place between 28 February and 1 June 2022, with additional releases following in spring/summer 2023, and with the final release of all data outputs for England and Wales provisionally expected by November 2023. We are monitoring the current situation, but we anticipate that data will not be available until 2022 at the earliest.

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